Parties
Abz

D for M

& 2582/DN/Lab
... Rec'd

Development Dept

Rg.O. Ms - 2073 Dev
dt 21.4.06

Acts and Rules - Co. operative Societies Act -
Bellary D Hospet Tra Co. of. Central Bank
Election of Directors. Appeal whether lies to
against the order of the Dy Registrar. Rejected

Form 171/3/1

Memo. No. 12612-B II/47-1 Dev. Dept. A23-12-47

Subj. - Co-op. Societies - Bellary Dt. - Hospet - The Co-op. Central Bank Ltd. - Election of Directors - Appeal against the order of Jt. Regr.

Read. - From the President, The Hospet Co-op. Central Bank Ltd., petn. A 17247

The petitioner is informed that the appeal petn. should bear court fee stamps of the proper value under the court fees Act ie Rs 1½/- for the appeal petn. and eight annas for every 300 rupees or fraction thereof of the amount

-2-

the appeal petn. ~~presented under~~ ~~Sec 57(2) of the W.B. Provincial Act.~~ but pr. wise

e is requested to resubmit the

ppeal petn. properly stamped.

23/2/07 23/2/07

To

The President,
The Hospet Coop.
Central Bank Ltd.
Hospet with
encls ~~(1 pp + 15 pp)~~
~~papers~~
reference in original
MP 1-15

3

Hospet.
D/31st Dec.1947.

From
The President,
The Hospet Co-operative Central
Bank,Ltd., Hospet.

To

The Honourable Minister
for Co-operation,
Government of Madras.

Sir,

Ref:- My revision petition dated 19-12-47 against the orders of the Registrar setting aside the election of individual directors - Acknowledged by you on 22-12-47.

On 19-12-47 I have filed a petition to the Government of Madras praying ~~you~~ to set aside the award given by the Registrar of Co-operative Societies, Madras in claim No.5/46-47. The Madras Co-operative Act provides for an appeal to the Government against the decission of the Registrar with in one year from the date of award. I have filed a petition for relief in time.

The Registrar is pressing me to give effect to his award and conduct fresh election to the Board of Management of the above institution. I request yourhonour to issue instructions to the Registrar of Co-operative societies, Madras not to execute his award till the claim above refered, is finally decided by the Government of Madras.

I remain
Sir,
Yours Obediently.

G. Chennakesavulu

-4-

Dev. dept.

Please see the Minutes on p 3 above. The appeal petition was returned to the petitioner on 5-1-48, as it was not stamped as required by the Trustees. The appeal petition from the President, Cv-Op. Central Bank, Hospet, may be awaited till 20-1-48. In the meanwhile it is for the orders whether the Rec. may be asked to stay further action pending disposal of the petition. Subject to orders a draft memo. is submitted for approval.

6.1.48

S

6.1.48

7.1

4 Dec. 2008

Memo. no. 12 b/2 V - BII/47-2 dt 7-(11-08

Sub:- Cooperative Societies - The Hosper Cooperative Central Bank Election petition

Ref:- letter from the President, The Hosper Cooperative Central Bank dt. 31.12.1997.

A copy of the letter cited is communicated to the R.C.S. The appeal petition to Govt. referred to therein has been returned to the petitioner for resubmission with the necessary court fee stamp. Pending disposal of the petition by Govt. the R.C.S. is requested to stay further action in the matter.

6/1/08

To the R.C.S. (with encls) copy sent for info

From The President
Hospet Coop. Central Bank

Office of the Hospet Co-op. Central Bank,Ltd., Hospet dated 8-1-1948.

-7-
5

To
Hospet Bellary Dt
The Registrar in charge Co-operation
The Government of Madras

Development Department

Dr 5059 BII/48
12-1-48

Madras.

Sir,

Sub:- Co-operative societies - Bellary Dist. - Hospet The Co-operative Central Bank Limited - Electio of Directors--Appeal against the order of Joint Registrar.

Ref:- Govt.memorandum No.126920 -BII/47-1 dated 23rd Dec.1947.

With reference to the above I beg to submit the appeal petition along with the enclosures are properly stamped as directed and resubmitted herewith.

For President.

D.R./8-1-48.

To,
The Registrar of Co-operative Societies,
M A D R A S.

The President, The Hospet Co-operative Central Bank Ltd., Hospet. Petitioner.

Versus

M.Subramanyam Respondent.

Petition presented under S.57 of the Madras Co-operative Societies Act VI of 1932 and under S.51(5) of the same Act.

The petitioner above named beg to prefer this petition against the order of the Deputy Registrar of Co-operative Societies, Bellary, dated 18-5-47 setting aside individual Directors election of the Hospet Co-operative Central Bank Ltd., Hospet.

1. The petitioner is the President, Hospet Co-operative Central Bank Ltd., Hospet.

2. The respondent is one of the unsuccesful candidates in the above election and his adress for service is Sri.M.Subramanyam, Clerk, I.S.R.Ltd., Hospet.

3. The respondent presented a petition under S.51 (1) of the Act VI of 1932 against the present petitioner for setting aside the election of the present petitioners as directors of the Bank, and for conducting a fresh election on the allegations.

i) that the election was not conducted in the General Body meetin but by secret ballot previous to and at a different place from the General Body meeting, which procedure was not authorised by the Bye-laws of the Bank.

ii) that the instructions contained in the voting paper and the ge up of the voting paper was irregular, and against the provisions of the Bye-laws, and resulted in confusion to the voters.

iii) that the ballot papers were printed in canarese only, which language was not known to several voters and consequently the election was vitiated.

iv) that the invalidation of certain votes was illegal, as the instructions given by the President with regard to the voting were not followed by the polling officers.

v) that the counting did not take place at the venue of the meeting but was done at the Bank premises where the polling

P.T.O

took place and this resulted in injustice to the candidates.

The elected directors contended before the Deputy Registrar to whom the dispute was referred that the petition was set up by the Ex-President who was responsible for conducting the elections and who was an unsuccesful candidate for the place of the director, (ii) that no provision of Bye-law of the Bank was violated in having the election by ballot by the General Body and not at the General Body meeting, (iii) that the voting was free and fair (iv) that the petitioner and the other candidates having an opportunity to object to the said procedure and the instructions contained in the ballot paper acquisced in the same (v) that the voting papers printed in the local language and in the form in vogue at the elections of the Bank in previous years, and there was nothing new or unauthorised in the instructions given, (vi) that it was not obligatory to have the counting at the place of the General Body and that the counting was done at the polling place itself as most of the candidates wanted the same, and (vii) that the election was conducted in the best manner and the voting was free and if there were any irregularities no substantial injustice arose from such irregularities.

5. The Deputy Registrar held by his order dated 18-5-47 that the election was not legal and consequently set aside the election of the present petitioners as directors and directed a fresh election. He based his judgement on the following reasons: (i) the election ought to have taken place in the General Body meeting and not by ballot previous to and at a different place from the venue of the General Body meeting; that the express provisions of the Bye-law No.17(2) of the Bank was completely ignored. That a fundamental express requirement of Bye-law No.17(2) was ignored and that resulted in grave injustic (ii) Secondly, the Deputy Registrar held that the allegations of irregularities in the printing of the ballot papers have not been disproved by the respondents before (i.e. the present petitioner) and therefore the election was vitiated by substantial injustice. In the result, he set aside the electic of the present petitioners and ordered fresh elections.

The petitioner beg to prefer this petition against the said order of the Deputy Registrar on the following grounds.

The Deputy Registrar had no jurisdiction to entertain the petition. The matter in dispute, i.e. the validity of the election of certain

P.T.O.

directors is not a matter touching the business of a registered society and hence section 51(1) does not apply;

(a) because ' Dispute ' does not include the question of constitution and membership.

Leading case on the point:-

I.L.R.1938 (2) Cal.144- A.I.R. 1938-C 394.

(b) The words " touching the business of a society " are not confined disputes regarding the internal management or the arrairs of a society or disputes with regard to the principales which would regulate the conduct of business.

Leading case on the point: I.L.R. 1938-C 103-1938 Cal.327.

2. The Deputy Registrar erred in holding that the procedure adopted for the election was against the express requirements of Bye-law No.17(2). The said Bye-law is to this effect:- " The representatives of individual share holders shall be elected by the full General Body of the Bank from such share holders as are holding not less that 2 shares or fixed deposits of Rs 500/- in the Central Bank free of encumbrances " contrasting the language of this Bye-law and especially the use of the word ' General Body ' with the language of Bye-law No:17(1) which provides for election of societies representatives and which reads as follows:- " The society representatives shall be elected by the representatives of the share holding societies at the meeting of the representatives of the societies of the concerned taluks to be convened by the President of the Central Bank, or at the general meeting of the representatives of societies " it is clear that the framers of the Bye-law distinguished between the election of the societies which is to be at the meeting of the representatives of societies and election of individual directors which is to be by the General Body. There is no express provision made that the election should be at the General Body meeting or in the General Body meeting. The Registrar has wrongly read the Bye-law. He is not justified in remarking that the election by ballot is against the fundamental express provisions of Bye-law No.17(2). Election by ballot is a well known method of voting that affords full facilities for free and fair voting.

3. The Deputy Registrar is again wrong in holding that because the allegations of irregularity made by the petitioner before him were not disprov

by the respondents. they could be taken in assessing the extent of injustice done to the aggrieved party. In the first place, he was wrongly placed the onus on the present petitioners. It is for the respondent to make out that irregularities have been committed and that they resulted in grave injustice. Not only has it not been proved that the matters alleged as irregular were in fact irregular, but the respondent has also not made out that the matters alleged by him as irregular resulted in any injustice. The Registrar failed to note that the Ex-President of the Bank who was for several years the President and conducted several filed an answer stating that the irregularities alleged were no irregularities at all. that the voting papers were prepared as in previous elections. no instructions were given in the ballot papers. but only information for guidance of voters. that such information was contained in all previous ballot papers. that the ballot papers were printed in the local language as usual since it was not practicable to print in all the languages which the voters would like to have. The Registrar has not attached any weight to the Ex-President's ~~xxxxx~~ answer which was not challenged before him. The Registrar does not refer to any instance in which the instructions given by the polling officers resulted in confusion to the voters. The respondent has not given evidence of any such confusion.

4. The Deputy Registrar has misread the ballot papers (Ex-A-1 and A-2): They merely discribe that the candidates as fixed Deposit holders and Individual Share holders. Even if the printing on the ballot paper be irregular and not authorised by the Bye-laws of the Bank, the Registrar ought to have noted that the polling officers guided the voters aright on these matters. that they correctly represented the position to the voters, and that their guidance far from creating confusion cleared the doubts of the voters.

5 The Deputy Registrar having correctly stated that the principal that it is a fundamental rule that unless it be clearly established that substantial and irreparable injustice has been done, duly selected directors should not be unseated, erred in ignoring the said principal and acting on mere surmises and suppositions. It was not proved before him that any voter was misled. It was not proved before him that the other unsuccessful candidate had any chance of success. Even if the invalidated votes were all for the unsuccesful candidate, they could not unseated the present petitioners.

P.T.O.

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If however the invalidated papers are scrutinised. it will appear that they were invalid not on account of the irregularities alleged but for other reasons and that as a matter of fact if they were to be taken into account in counting it would help the present directors rather than otherwise.

6. The Deputy Registrar failed to note that the procedure adopted with regard to the set up of the ballot papers. the method of election. and the manner of counting was according to the directions of the Registrar the Joint Registrar and Deputy Registrar. and that at every step the President consulted the contesting candidates.

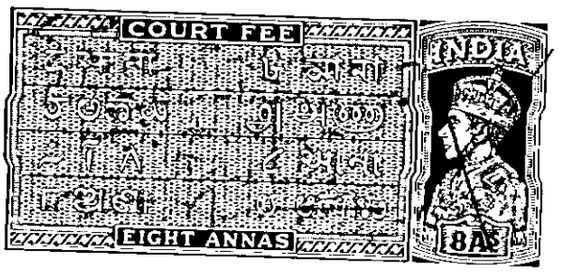
It is only just that if the election be held invalid the ~~ex~~ expenses of holding a fresh election should be surcharged on the Ex-Presidei

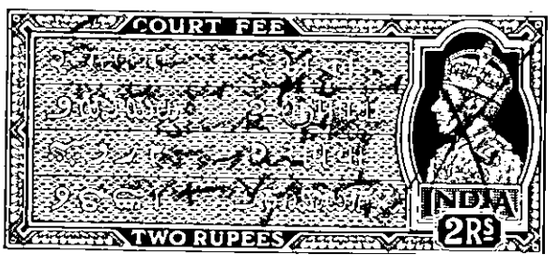
I remain

Yours'

Hospet.

Dated





A. Channabasappa

President. Hospet Co-operative Central Bank Ltd.. Hospet.

10

IN THE COURT OF THE DEPUTY REGISTRAR OF CO-OPERATIVE SOCIETIES; BELLARY.

P R E S E N T:- Sri. O. R. Valmikanatha Ayyar,
Deputy Registrar of Co-operative Societies, Bellary.

DECISION UNDER SECTION 51 OF THE MADRAS CO-OPERATIVE SOCIETIES ACT VI OF 1932.
Claim No. 5/47, dated 18-5-47.

Sri. M.Subramanyam, contesting cadidate for Directors' election in the Hospet Co-operative Central Bank Ltd., Hospet. | PETITIONER,

Against.

1. The President, The Hospet Co-operative Central Bank Ltd.,
2. Sri.N.Chennaveeraiah, Hospet.
3. " Rao Saheb Murari Venkataswami, Hospet.
4. " P.Gurunathappa Setty, Hospet. | RESPONDENTS.
5. " Rao Bahadur Y.Mahabaleswarappa, Bellary.
6. " S.Seetharama Setty, Bellary.

This dispute coming on for hearing on 17-4-47 and for final hearin on 15-5-47 the court delivered the following:-

JUDGEMENT.

1. This is a reference under section 51(1)(c) of the Madras Co-operative societies Act VI of 1932 preferred by Sri.M.Subramanyam, contesting candidate for directors' election in the Hospet Co-operative Central Bank,Ltd., Hospet against the five newly elected directors, and the President of the Bank questioning the validity of election of the five individual directors at the General Body meeting held on 19-3-47

2. The petitioner in favour of his contention argues on the following points.

a) that the election instead of being conducted in a General Body meeting as usual was done by vote by ballot which proceedure is not authorised in the Bye-laws or subsidiary Bye-Laws of the Bank.

b) that unprincipaled methods were adopted by the respondents at the time of election.

c) that voting papers were printed in canarese only and wrongly printed against the principal laid down in Bye-Laws 17 with wrong instruc-tions noted therein ear marking one depositor to be elected, for western and one for the eastern taluks when the Bye-law says that "two directors so elected shall be depositers" that when this objection was brought to the notice of the President it was agreed that the voters be allowed to vote for any five candidates noted in the nomination paper not caring for the deviations and to make separate allocation after counting was over and that not consulting the polling officers who gave these instructions to the voters, resulted is invalidating about 25% of the polling;

d) that the counting of votes took place at the polling station itself instead of at theplace fixed for general meeting at 4 P.M. in the absence of the petitioner and that rules as to the method of counting was not made known to the contesting candidates including the petitioner;

e) that the entire election was improparly conducted and is agains the Bye-laws.

3. All the respondents were allowed to file written statements meeting on the points raised in the petition. Respondent Nos.1,2,3,4,and 6 only filed written statements. Respondent No.1 in his written statement has objected to the points raised in the petition as follows:-

a) that he (the president) who is responsible to conduct elections adopted the method most suited under the circumstance in the absence of provision of any bye-law or subsidiary bye-laws;

b) that he is not a party to the methods alleged to be adopted by respondents;

(P.T.O.)

c) that the voting papers were printed in the local language, that it was not practicable to print in all the languages in which the voters would like to have, that the voting papers were printed as per the convention in vogus in previous years which was in no way against principals laid down in the bye-laws and that the polling officers at the polling station were to guide the voters if any doubt arose;

d) that the counting was done at the polling station itself as per the request of most of the candidates and that the counting was taken up purely as a question of convenience soon after balloting, not to waste the limited time available;

(e) that the election was conducted in the best manner and that it was not done against bye-law.

4. Respondents Nos.2,3,4 and 6 have commonly stated in their written statement:-

a) that the election was conducted by vote by ballot in the premises of the Bank itself only in accordance with the notice, sections, rules and bye-law and that the petitioner obeyed the notice and did not raise any objection will he was defeated;

b) that it is a total misrepresentation of facts to state that the respondents adopted unprincipald methods;

c) that the voting papers were printed as per the conventions in vogue in Bank, that the petitioner was in full knowledge of the conventions and method of voting, that the Kannada language was explaine by the polling officer to the voters and that if there were larger numbe of invalid votes, it is the respondents who stood to loss than the petitioner;

d) that it was clearly notified in the notice that the result only would be announced at the general meeting at 4 P.M. that the petitioner himself was present at the time of counting of ballot papers in the Bank premises and it is preposterous of the petitioner to state that he was waiting at the lodge from of the elections.

5. Respondents Nos. 1,2,and 4 appeared in person on 15-5-47 and deposed that they have nothing more to say then what they have al--ready stated in their written statements filed. Respondents Nos.3 and 6 though they filed their written statemnts did not appear before me on 15-5-47 and were declared Ex-parte Respondent Nos.5 neither filed his written statement nor appeared in person on 15-5-47and was declared ex-parte.

6. The following was the issue framed:-

" whether the election of respondents 2 to 6 as individual directors at the general meeting held on 19-3-47 was regular and in accordance with the provisions contained in bye-law 17 of the Hospet Co-operative central Bank,Ltd., Hospet"

From a perusal of the minute book and other records of the Bank, I find that the Executive Committee in meeting of the Bank held on 15-2-47 approved a note of the President which stated among other things that the polling (for election of the individual directors) would take place on 19-3-47 between 10 A.M. and 3 P.M. at the Bank premises and the result would be announced at the General Body. The Executive committee fixed the general Body meeting to 19-3-47 without fixing any time or the place for the meeting.

7. The meeting notice dated 20-2-47 issued by the President (Exhibit A.) states that the general Body meeting will be held on 19-3-47 at the Theosophical Lodge, Hospet. Under agenda in the notice it is stated that the polling (election of 5 individual directors) will take place on 19-3-47 between 10 A.M. to 3 P.M. at the Bank premises and result announced at General Body.

8. Byelaw No. 17 (2) of the Bank clearly stated that the representatives of individual share holders shall be elected by the full general body of the Central Bank. According to which the election of ind individual share holders would be considered regular only when it was conducted after the full general body met on 19-3-47 at 4 P.M. in this case, the election of individual share holders was done by polling at

P.T.O.

the Bank premises between 10 A.M. and 3 P.M. and the results were announced at the general body meeting which met at the Theosophical Lodge, on that day after 4 P.M. In other words the election of Individual directors by polling was not conducted at the general body meeting but was conducted previous to and a different place fixed for General body meeting. The number of votes polled were 310 while the number of members who attended at the general body meeting were only 103. The express provision of Bye-law No. 17(2) of the Bank were completely ignored in conducting elections. The conduct of elections of directors can satisfy the provisions of the Bye-law only when it was conducted during the meeting of the general body and any election done prior to the meeting of the general body and at a different place can hardly be said to be legal in as much as it was not done by the general body.

9. The points raised in the petition regarding the irregularities alleged to have been committed in the printing of ballot papers proceedure adopted for voting and counting of ballot papers have been partly met with by the respondents in their written statements. It is a fundamental rule of law regarding elections that it is a very serious matter to upseat a duly elected member and no court will do it unless it is clearly established that substantial and irrepairable injustice has been done. But the following illegalities alleged to have been committed which have not been disproved stand to reason in assessing the extent of the injustice done to the aggrieved petitioner and in declaering the election illegal.

i) Bye-law No. 17 states that out of 5 individual share holders on the Board of Management, 3 shall be representatives of Western Taluks and two of the Eastern Taluks and of these individual share holders, tow shall be from those holding fixed deposits in the Bank free of encumbrances.

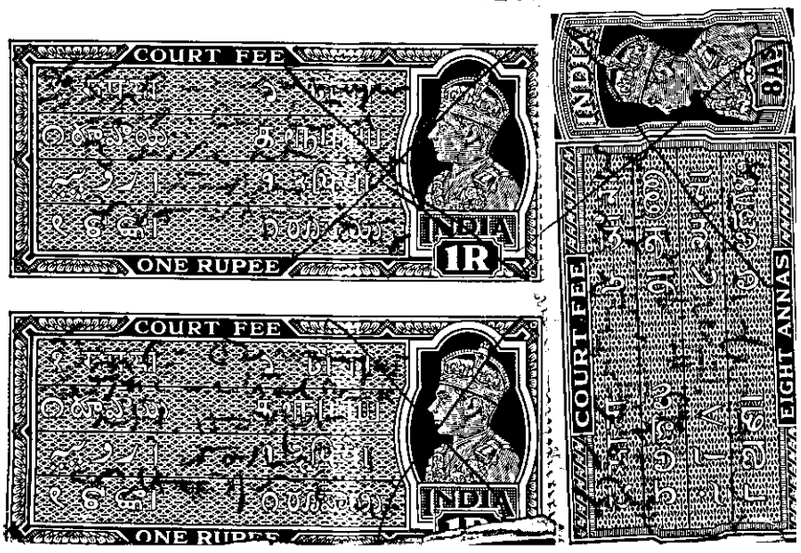
There is no differentiation or car marking made for these two deposit holders in the bye-laws. But in the ballot papers (Exhibit A1 and A2) it has been printed against the provision the provisions of bye-law 17 that one share holder holding fixed deposits should be elected from the Eastern Taluks and another from Western Taluks. The subsequent arrangements made by the President to set right the defects when it was brought to his notice resulted in confusion for the voters and invalidation of votes effecting the chance of petitioner;

ii) The election of representatives of individual share holders was done by the individual member voters at a polling station and not when all of them met at a meeting as a regular constituted full general body. This is in contravention of the fundametal express requirements laid down in bye-law 17(2) as discussed in para 8 supra.

I, therefore setaside the election of individual directors held on 19-3-47 and order that a fresh election should be conducted by a full general body in accordance with bye-laws. Regarding costs, I think the most equitable direction would be that each party should bear its own costs and I therefore make this direction.

Given and seal of the office this 19th day

(Sd) O.R.Valmikanathan,
Deputy Registrar of Co-operative
Societies, Bellary.



PRESIDENT.

Memo. No. 1266 Y20 BII/47 — 12. Dev. Dept 2 | 2

D 19-1-48

Subject — Articles — Co-op. Societies Act — Bellary Dt. — Appeal — The Co-op. Central Bank — Election of Directors — Appeal under Sec. 57 against the order of Jt. Reg. — Petn.

Read — from the President Co-op. Central Bank, Appeal, Petn. D 17-12-47

A copy

The appeal petn. cited as filed is forwarded to the Reg, in continuation of Memo. No. 1266920 BII/47-2 dated 7-1-48, with all the papers and remarks with the call connected recorded.

Petn. 25-1-48

Reg. to dispose of the appeal petn. in accordance with the rules

The appeal petn. is returned herewith (66P-11 enclosed)

19/1/48

Received from R.D. 22/11/47

13 22-

To,
The Hon'ble Minister for Co-operation,
Government of Madras.
G. T. MADRAS.

B3

Sir,

Dev 11142 R Dept 22/11/47

Sub:- Arbitration- Sri. M. Subramanyam Vs The Hospet Co-operative Central Bank Ltd., Hospet and 5 Individual Share Holding Directors- Election dispute in claim No.5/4

Petition presented under section 57 of Madras Co-operative societies Act VI of 1932.

The pentitioner is the President of the Hospet Co-op. Central Bank Ltd., Hospet.

The respondant is Sri. M.Subramanyam, Clerk I.S.R. Ltd., Hospet.

The petitioner has already submitted a revision petition against the order of the Joint Registrar of Co-operative Societies Madras. Before the petition is disposed of, the petitioner requests the Government to issue stay order to the Registrar of Co-operative Societies Madras, directing him to stop further proceedings on the arbitration suit referred to above.

The present petitioner has been prohibited to allow the 5 Individual Directors whose election was setaside by the Deputy Registrar of Co-operative Societies, Bellary, to participate in the affairs of the Bank in the Deputy Registrar's Rc.No.28/47-B, dated 31-5-47.

The 5 Directors whose election has been set aside have issued notices to the Bank stating that they would claim damages in a Civil Court in case the present petitioner failed to allow them to participate in the Administration of the Institution, till the arbitration suit is finally disposed of. A reference was made to the Registrar for his advice in this matter for which the Registrar stated that he had no reasons to interfere. Therefore the present petitioner was bound to request the Government to issue instructions to the Registrar to permit the 5 Individual Directors to participate in the Administration of the Bank.

21-1-48

M. Chennabasappa
PETITIONER.
President Hospet Co-op
Central Bank
Hospet

Dev. Dept.

The petn. at p27 above ~~and the Memo at p5 above~~ may be perused. ~~No action seems necessary on this petn.~~ ~~The Regd's Memo at p5 may be~~ ~~accepted till 25-2-18~~

- With reference to 'A' on p 27 above instructions have already been issued to the R.C.S. To stay further action in the matter pending disposal of the appeal petition. As regards 'B' on p 28 above it does not seem necessary to issue any instructions to the R.C.S. as the R.C.S. ~~seems to have~~ refused to interfere in the matter

24/2/18.

24/2/18

5. The Deputy Registrar having correctly stated the principal that it is a fundamental rule that unless it be clearly established that substantial and irreparable injustice has been done duly elected directors should not be unseated, erred in ignoring the said principal and acting on mere surmises and suppositions. It was not proved before him that other unsuccessful candidates had any chance of success. Even if the valid votes are all for the unsuccessful candidates they could not unseated the present directors. If however the invalidated papers are scrutinised, it will appear that they were invalid not on account of the irregularities alleged but for other reasons and that as a matter of fact if they were to be taken into account in counting it would help the present directors rather than otherwise.

6. The Deputy Registrar has failed to note that the procedure adopted with regard to the got up of the ballot papers, the method of election, the manner of counting, was according to the directions of the Registrar the Joint Registrar and the Deputy Registrar and that at every step the President consulted the contesting candidate and the departmental heads.

7. It is only just that if the election be held invalid the expenses of holding a fresh election should be surcharged on the President.

The Joint Registrar in his order No.No.11372/47-B dated 26-8-47 has rejected the revision petition without assigning any reason

The petition begs to prefer this petition against the said order of the Joint Registrar on the following grounds.

1. The petition made by the petitioner to the Registrar is under sec.57 of the Co-operative Societies Act VI of 1932 but the Joint Registrar has disposed off the said petition under sec.47 of the said Act.

(Vide J.R.Order No.No. No.11372/47-B, dated 26-8-47)

2. The order is in the form of a memo without any court seal and is signed by the Superintendent but not by the arbitrator himself.

3. The petition is rejected without assigning any reasons.

The petitioner beg to request the Minister for Co-operation to set aside the order of the Registrar of Co-operative Societies Madras

19/12

K.S./17-12.

PRESIDENT.

Sanctioned for the Legal

IN THE COURT OF THE DEPUTY REGISTRAR OF CO-OPERATIVE SOCIETIES,
BELLARY.

PRESENT:- Sri. O. R. Valmikanatha Ayyar,
Deputy Registrar of Co-operative Societies, Bellary.

DECISION UNDER SECTION 51 OF THE MADRAS CO-OPERATIVE SOCIETIES ACT VI OF 1932.
Claim No. 5/47, dated 18-5-47.

Sri. M.Subramanyam, contesting cadidate for Directors' election in the Hospet Co-operative Central Bank Ltd Hospet. | PETITIONER.

Against.

1. The President, The Hospet Co-operative Central Bank Ltd.,
2. Sri.N.Chennaveeraiah, Hospet.
3. " Rao Saheb Murari Venkataswami, Hospet.
4. " P.Gurunathappa Setty, Hospet.
5. " Rao Bahadur Y.Mahabaleswarappa, Bellary.
6. " S.Seetharama Setty, Bellary. | RESPONDENTS.

This dispute coming on for hearing on 17-4-47 and for final heari on 15-5-47 the court delivered the following:-

JUDGEMENT.

1. This is a reference under section 51(1)(c) of the Madras Co-operative societies Act VI of 1932 preferred by Sri.M.Subramanyam, contesting candidate for directors' election in the Hospet Co-operative Central Bank,Ltd., Hospet against the five newly elected directors, and the President of the Bank questioning the validity of election of the five individual directors at the General Body meeting held on 19-3-47.

2. The petitioner in favour of his contention argues on the following points.

a) that the election instead of being conducted in a General Body meeting as usual was done by vote by ballot which proceedure is not authorised in the Bye-laws or subsidiary Bye-Laws of the Bank.

b) that unprincipaled methods were adopted by the respondents at the time of election.

c) that voting papers were printed in canarese only and wrongly printed against the principal laid down in Bye-Laws 17 with wrong instruc-tions noted therein ear marking one depositor to be elected, for western and one for the eastern taluks when the Bye-law says that "two directors so elected shall be depositers" that when this objection was brought to the notice of the President it was agreed that the voters be allowed to vote for any five candidates noted in the nomination paper not caring for the deviations and to make separate allocation after counting was over and that not consulting the polling officers who gave these instructions to the voters, resulted is invalidating about 25% of the polling;

d) that the counting of votes took place at the polling station itself instead of at theplace fixed for general meeting at 4 P.M. in the absence of the petitioner and that rules as to the method of counting was not made known to the contesting candidates including the petitioner;

e) that the entire election was improparly conducted and is against the Bye-laws.

3. All the respondents were allowed to file written statements meeting on the points raised in the petition. Resondent Nos.1,2,3,4,and 6 only filed written statements. Respondent No.1 in his written statement has objected to the points raised in the petition as follows:-

a) that he (the president) who is responsible to conduct election adopted the method most suited under the circumstance in the absence of provision of any bye-law or subsidiary bye-laws;

b) that he is not a party to the methods alleged to be adopted by respondents;

(P.T.O.)

c) that the voting papers were printed in the local language, that it was not practicable to print in all the languages in which the voters would like to have, that the voting papers were printed as per the convention in vogue in previous years which was in no was against the principals laid down in the bye-laws and that the polling officers at the polling station were to guide the voters if any doubt arose;

d) that the counting was done at the pol ing station itself as per the request of most of the candidates and that the counting was taken up purely as a question of convenience soon after balloting, not to waste the limited time available;

e) that the election was conducted in the best manner and that it was not done against bye-law.

4. Respondents Nos.2,3,4 and 6 have commonly stated in their written statement:-

a) that the election was conducted by vote by ballot in the premises of the Bank itself only, in accordance with the notice, sections, rules and bye-law and that the petitioner obeyed the notice and did not raise any objection will he was defeated;

b) that it is a total misrepresentation of facts to stat that the respondents adopted unprincipald methods;

c) that the voting papers were printed as per the conventions in vogue in Bank, that the petitioner was in full knowledge of the conventions and method of voting, that the Kannada language was explaine by the polling officer to the voters and that if there were larger numbe of invalid votes, it is the respondents who stood to loss than the petitioner;

d) that it was clearly notified in the notice that the result only would be announced at the general meeting at 4 P.M. that the petitioner himself was present at the time of counting of ballot papers in the Bank premises and it is preposterous of the petitioner to state that he was waiting at the lodge from of the elections.

5. Respondents Nos. 1,2,and 4 appeared in person on 15-5-4 and deposed that they have nothing more to say then what they have al-ready stated in their written statements filed. Respondents Nos.3 and 6 though they filed their written statemnts did not appear before me on 1 -5-47 and were declared Ex-parte Respondent Nos.5 neither filed his written statement nor appeared in person on 15-5-47and was declared ex-parte.

6. The following was the issue framed:-

" whether the election of respondents 2 to 6 as individual directors at the general meeting held on 19-3-47 was regular and in accordance with the provisions contained in bye-law 17 of the Hospet Co-operative central Bank,Ltd., Hospet"

From a perusal of the minute book and other records of the Bank, I find that the Executive Committee meeting of the Bank held on 15-2-47 approved a note of the President which stated among other things that the polling (for election of the individual directors) would take place on 19-3-47 between 10 A.M. and 3 P.M. at the Bank premises and the result would be accounced at the General Body. The Executive committee fixed the General Body meeting to 19-3-47 without fixing any time or the place for the meeting.

7. The meeting notice dated 20-2-47 issued by the President (Exhibit A.) states that the general Body meeting will be held on 19-3-4 at the Theosophical Lodge, Hospet. Under agenda in the notice it is stated that the polling (electio of 5 individual directors) will take place on 19-3-47 between 10 A.M. to 3 P.M. at the Bank premises and result announced at General Body.

8. Byelaw No. 17 (2) of the Bank clearly stated that the representatives of individual share holders shall be elected by the full general body of the Central Bank. According to which the election of ind individual share holders would be considered regular only when it was conducted after the full general body met on 19-3-47 at 4 P.M. In this case, the election of individual share holders was done by polling at

15

To, Hon'ble
The Minister for Co-operation,
Madras.

Office of the Hospet Co-operative Central Bank Ltd., Hospet. D/ 17-12-47

Dev 12773 B71
H.2.48

The President,
The Hospet Co-operative Central Bank Ltd., Hospet ... Petitioner,

Versus.

Sri. M. Subramanyam ... ... Respondent.

PETITION PRESENTED UNDER SECTION 57 OF THE MADRAS CO-OPERATIVE SOCIETIES ACT VI OF 1932.

The petitioner above named beg to prefer this petition against the order of the Registrar of Co-operative Societies, Madras dated 26-8-47 rejecting the revision petition filed by him on 17-6-47 against the order of the Deputy Registrar of Co-operative Societies Bellary dated 18-5-47 setting aside Individual Directors election of the Hospet Co-operative Central Bank Ltd., Hospet.

1. The petitioner is the President, The Hospet Co-op: Central Bank Ltd., Hospet.

2. The respondent is one of the unsuccesful candidate in the above election and his address for service is Sri. M. Subramanyam, Clerk, India Sugar & Refiniries Ltd., Hospet.

3. The respondent presented a petition under Sec. 51(1) of the Act VI of 1932 against the present petitioner and 5 other Individual Directors of the Bank for setting aside the election of the Individual Directors as Directors of the Bank and for conducting fresh election on the allegations.

i. that the election was not conducted in the General Body meeting but by secret ballot previous to and at a differant place from the General Body meeting, which procedure was not authorised by the Bylaws of the Bank.

ii. that the instructions contained in the voting paper a and the get up of the voting paper was irregular and against the provisions of the Bylaws and resulted in confusion to the voters.

iii. that the ballot papers were printed in Canarese only which language was not known to several voters and consequently the election was vitiated.

iv. that the invalidation of certain votes was illegal as the instructions given by the President with regard to the voting were not followed by the polling officers.

v. that the counting did not take place at the venue of the meeting but was done at the Bank premises where the polling took place and this resulted in injustice to the candidates.

4. The elected Directors contended before the Deputy Registrar to whom the dispute was referred. (1) that the petition was set up the Ex-President who was responsible for conducting the election and who was an unsuccessful candidate for the place of the Director. (2) that no provision of any Bylaw of the Bank was violate in having the election by ballot by the General Body and not at the General Body meeting (3) that the voting was free and fair (4) that the petitioner and other candidates having an opportunity to object to the said procedure and the instructions contained in the ballot paper acquised in the same (5) that the voting paper is printed in the local language and in the form in vogue and there was nothing new or unauthorised in the instructions given (6) that it was not obligatory to have the counting at the place of the General Body and that the counting was done at the polling place itself as most of the candidates wanted the s same and (7) that the election was conducted in the best manner in consultation with the Deputy Registrar and Registrar at each and every step and the voting was free.

5. The Deputy Registrar held by his order dated 18-5-47 that the election was not legal and consequently set aside the election of the present Individual Directors as Directors and directed a fresh election. He based his judgement on the following reasons (1) the election ought to have taken place in the General Body meeting and not by ballot previous to and at a different place from the vanue of the General body meeting; that the express provisions of the Bylaw No. 17(2 of the Bank was completely ignored. That a fundamental express requirement of Bylaw No. 17(2) was ignored and that resulted in grave injustic

(3i) Secondlly the Deputy Registrar held that the allegations of irregularities in the printing of ballot papers have not been disposed by the respondents before (i.e. the present petitioner) and therefore the election was vitiated by substantial injustice. In the result he set aside the election of the present Individual Directors and ordered fresh elections.

The petitioner filed a revision petition to the Registrar of Co-operative Societies Madras against the order of the Deputy Registrar of Co-operative Societies Bellary on the following grounds.

1. The Deputy Registrar had no jurisdiction to entertain the the petition. The matter is dispute i.e. the validity of the election of certain Directors is not a matter touching the business of a registered society and hence Sec. 51(1) does not apply.

(a) because " Dispute " does not include the question of constitution and membership.

LEADING CASE ON THE POINT:- I.L.R.1938(2) Calcutta 144-A.I.R.1938-C394.

(b) The words "touching the business of a society " are not Contra confirmed to disputes regarding the internal management of the affairs of a society or dispute with regard to the principles which would regulate the conduct of business.

LEADING CASE ON THE XENT POINT: I.L.R.1938-C. 103-1938 Calcutta.327.

2. The Deputy Registrar erred in holding that the procedure adopted for the election was against the express requirements of Bylaw No. 17(2). The said Bylaw is to this effect:-"The respresentatives of individual share holders shall be elected by the full General Body of the Bank from such share holders as are holding not less than shares or fixed deposit of Rs 500/- in the Central Bank free encumbrances"contrasting the language of this Bylaw and especially use of the word " General Body " with the language of the Bylaw (1 which provides for election of societies representatives and which reads as follows:- The society representatives shall be elected by the representatives of the share holding societies at the meeting of the representatives of the societies of the concerned taluks to be convened by the President of the Central Bank or at the General meeting of the representatives of societies . It is clear that the frames of the Bylaw distinguished between the election of the societies Directors which is to be at the meeting of the representatives of societie election of individual directors which is to be by the General Bo There is no express provision made that the election should be at General Body meeting or in the General Body meeting. The Deputy Registrar has wrongly read the Bylaw. He is not justified in remarking that election by ballot is against the fundamental express provision of Bylaw No. 17(2). Election by ballot is a well known method of voting and affords full fecilities for free and fair voting.

3. The Deputy Registrar is again wrong in holding that because the allegations of irregularity made by the petitioner before him were not disapproved by the respondents, they could be taken in assessing the extent of injustice done to the aggrieved party. In the first place he has wrongly placed the onus on the present petitioners. It is for the respondent to make out that irregularities have been committed and that they resulted in grave injustice. Not only has it not been proved that the matters alleged as irregular were in fact irregular, but the respondent has also not made out that the matters al, alleged by him as irregular resulted in any injustice. The Deputy Registrar has failed to note that the Ex-President of the Bank who was for several years the President and conduted several elections filed an answer stating that the irregularities alleged were no irregularities at all, that no instructions were given in the ballot papers but only information for guidance of voters, that the ballot papers were printed in the local language since it was not prcticable to point in all the languages which the voter would like to have. The Deputy Registrar has not attached any weight to the Ex-President's answer which was not challenged before him. The Deputy Registrar does not refer to any instance in which the instructions given by the polling officers resulted in confusion to the voters. The respondents has not given evidence of any such confusion.

4. The Deputy Registrar has misread the ballot papers (Ex-A1 & A2). They merely discribe that the candidates as fixed deposit holders and Individual Share holders. Even if the printing on the ballot paper be irregular and not authorised by the Bylaws of the Bank, the Deputy Registrar ought to have noted that the polling officers guided the voters aright on these matters, that they correctly represented the position to the voters and that their guidance for from creating confusion cleared the doubts of the voters.

the Bank premises between 10 A.M. and 3 P.M. and the results were announced at the general body meeting which met at the Theosophical Lodge, on that day after 4 P.M. In other words the election of Individual directors by polling was not conducted at the general body meeting but was conducted previous to and a different place fixedx for General body meeting. The number of votes polled were 310 while the number of members who attended at the general body meeting were only 103. The express provision of Bye-law No. 17(2) of the Bank were completely ignored in conducting elections. The conduct of elections of directors can satisfy the provisions of the Bye-law only when it was conducted during the meeting of the general body and any election done prior to the meeting of the general body and at a different place can hardly be said to be legal in as much as it was not done by the general body.

9. The points raised in the petition regarding the irregularities alleged to have been committed in the printing of ballot papers proceedure adopted for voting and counting of ballot papers have been partly met with by the respondents in their written statements. It is a fundamental rule of law regarding elections that it is a very serious matter to upseat a duly elected member and no court will do it unless it is clearly established that substantial and irrepairable injustice has been done. But the following illegalities alleged to have been committed which have not been disproved stand to reason in assessing the extent of the injustice done to the aggrieved petitioner and in declaering the election illegal.

i) Bye-law No. 17 states that out of 5 individual share holders on the Borad of Management, 3 shall be representatives of western Taluks and two of the Eastern Taluks and of these individual share holders, tow shall be from those holding fixed deposits in the Bank free of encumbrances.

There is no differentiation or our marking made for these two deposit holders in the bye-laws. But in the ballot papers (Exhibit A1 and A2) it has been printed against the provision the provisions of bye-law 17 that one share Holder holding fixed deposits should be elected from the Eastern Taluks and another from Western Taluks. The subsequent arrangements made by the President to set right the deffects when it was brought to his notice resulted in confusion for the voters and invalidation of votes effecting the chance of petitioner;

ii) The election of representatives of individual share holders was done by the individual member voters at a polling station and not when all of them met at a meeting as a regular ~~xxxxxxxx~~ constituted full general body. This is in contravention of the fundametal express requirements laid down in bye-law 17(2) as discussed in para 8 supra.

I, therefore setaside the election of individual directo held on 19-3-47 and order that a fresh election should be conducted by a full general body in accordance with bye-laws. Regarding costs, I think the most equitable direction would be that each party should bear its own costs and I ~~therefore make this direction.~~

Given under my hand and seal of the office this 19th day of May '47.

(Sd) O.R.Valmikanathan,
Deputy Registrar of Co-operative
Societies, Bellary.

/ TRUE COPY /

ab 19/12

K.S./17-12. PRESIDENT.

Rc.No. 11372/47-B.

Office of the Registrar of Co-operative Societies, Madras. D/ 26-8-47.

Sri. Rao Sahib A. Palaniappa Mudaliar M.A.,
Additional Joint Registrar.

-+-+-+-+-+-

Order under section 47 of the Madras Co-operative Societies Act VI of 1932.

Sub:- Arbitration- Sri. M.Subramanyam Vs the Hospet Co-operative Central Bank Ltd., and 5 share holders- election dispute- decission of the Deputy Registrar Bellary and Arbitrator in Claim No. 5/47- Revision petition rejected.

READ:- 1. Decission dated 18-3-47 of the Deputy Registrar Bellary and Arbitrator in Cl.No.5/47.
2. Revision petition dated 17-6-47 filed by the President of the Hospet Co-operative Central Bank.
3. Other connected records

O r d e r.

The revision petition is rejected.

(Sd) A. Palaniappa Mudaliar.
Additional Joint Registrar.

Forwarded / By order

(Sd) x x x x
Superintendent.

/ TRUE COPY /

K.S./17-12.

PRESIDENT.

Def. Dept.

With reference to the minutes of H.M (L.A)
~~Sub: for the removal of his private and~~
on P&T ~~petition~~ adverse the A.G.'s remarks
~~the petition on pp 27-32 ante. In the Memo on p 25~~ ½ page
~~ante the A.G.'s has~~ been requested to submit
his detailed remarks together with the connected
records. Their receipt may be awaited (P.P. 25.2.'48)

4.2.48

5.2.48

5/2/48

C-3.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

No. 196

Received here at [illegible] Mo[illegible]

9/11 Hatpet 23 Read 29

1. Co-operative [illegible]

Kattedi Co-op [illegible] Ltd [illegible] pg 3 abv

[illegible] petition [illegible]

Secy Hatp Central Bank [illegible]

[illegible] registrars [illegible]

Chetlur pray give opportunity

Hear in a both sides [illegible]

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in serial number (in the case of foreign telegram only), office of origin, date, service instructions (if any) and number of words. Despatch

This form must accompany any enquiry respecting this telegram.

Murthy & Co. Printers Madras Q No ms 266 30,000 B of 200 Leaves 5-1-48 Paper Supplied by Government

Transferred for Disposal

N Subramania Mudaliar

C/o Sugar Factory,
Camp Hospet,
Date 23rd February 1948.

The Minister,
Co-operation,
Government of Madras,
Madras.

Sir,

Sub: Hospet Co.op. Central Bank - individual Directors - Election - Dispute.

It appears, the President of the above Central Bank has preferred a revision petition against the decision of the Registrar of Co-operative Societies, Madras under Sec. 51 of the Act in claim No. 5/47 dated 18-5-47. If it is a fact, I request you to kindly give me an opportunity for presenting my case before any final orders are passed in this dispute.

I confirm my telegram of date reading as under:-

"LEARN REVISION PETITION BY HOSPET CENTRAL BANK PRESIDENT AGAINST REGISTRARS AWARD REGARDING ELECTION PRAY GIVE OPPORTUNITY HEARING BOTH SIDES" SUBRAMANIAM RESPONDENT.

Thanking you,

Yours faithfully,

23/2/48

Copy to:-
1. Copy to the Registrar of Co.op.Societies, Madras.
2. Deputy Registrar of Co.op.Societies, Bellary.

28/1/3

21 SLW

Pl. see D 28/2

Memo No 126920/BII/67-3 dt 28-2-68 Deputy Deptt. Sub. Acts and Rules. Co. op. Societies Act. Ballary Dt. Hospet. The Co. op. central Bank. Election of Directors. Appeal under Sec 57 against the order of the Registrar J.R.

Yes 3

p 25 cf. Ref. Govt Memo No 126920/BII/67-2 dt 9-1-68

The attention of the R.C.S. is invited to the Govt memo cited above and he is requested to expedite his reply stating when he may be expected.

To The R.C.S (M.R 10.3.68)

Ds. 27/2/68

reply

Yes 27-2-68

28/2

3.3.68

LO

86
11/3

Desk Depth

Memo. 126920/BII/67

Sub: Co-operation - Act & Rule - Co. op. Society Act - Bellary Dt - Hospet - the Co. op. Central Bank - Election of Directors - Appeal under Rule 57 -

Ref Govt Memo. 126920/BII/67 dt 9-1-68 and reminder thereon dt 28-2-68. - from RCS

The R.C.S. is requested to state when his reply to the ref. cited above may be expected.

Dy 9/4/68

Dy 10.3.68

Dy Secy (Co-op) 13.3.68

To the R.C.S, (20.3.68)

C.F. 22.

COOPERATIVE Department

From (Name)	Sri Rao Bahadur J. C. Ryan, M.A.,
Designation	Registrar of Cooperative Societies,
Station	Chepauk, Madras.

Received ——— Registered ———

To

The Secretary to Government
Development Department,
Fort St. George,
Madras.

Enclosures:

No. Rc.4494/48 B dated 11th March 48

Sir,

Sub: ARBITRATION--The Hospet Cooperative Central Bank, Bellary District--Election dispute--Award in Clause No.5/47 on the file of the Deputy Registrar of Cooperative Societies, Bellary--Appeal to Government.

Ref: Government Memorandum No.126920 BII/47-3, dated the 19th January, 1948.

---oOo---

I submit below my remarks on the appeal petition filed by the President of the Hospet Cooperative Central Bank.

Under bylaw No.17, of the Central Bank, the Management shall vest in a Board consisting of nine society-representatives-one for each taluk-and five representatives of individual share holders, of whom three shall be residents of Western taluks and two of the eastern taluks. Of the 5 representatives of individual share holders, two shall be from share holders holding fixed deposits in the Bank, free of encumbrances. Clause (2) of bylaw No.17, lays down that the representatives of individual share holders "shall be elected by the full general body of the Central Bank from such share holders as are holding not less than 2 shares or fixed deposits of Rs.500/- in the Central Bank free of encumbrances". The election of the 5 directors from the individual share holders was held on 19th March, 1947 in the premises of the Central Bank and the result was announced in the Thesophical Lodge, Hospet, on the same day. The following gentlemen were declared as elected.

1. Sri N. Channa Veeraiah.
2. Sri Rao Sahib. Murari Venkataswami.
3. Sri Gurunathappa Chetty.
4. Sri Rao Bahadur Mahabaleswarappa.
5. Sri S. Sitarama Chetti.

....

3. Sri M. Subramania Mudaliar, an individual share holder and one of the candidates who contested the election, filed an arbitration reference before me on 24th March, 1947 questioning the validity of the election and requesting me to set it aside. The arbitration reference was transferred to the Deputy Registrar, Bellary for disposal. The Deputy Registrar enquired into the reference and set aside the election. His judgment may be perused at page 145-155 of F.Dis. Clause No.5/47 (Enclosed). Against this decision of the Deputy Registrar and arbitrator, the President of the Central Bank filed a revision petition before me. In his order Rc.No.11372/47 B, dated the 26th August, 1947, the Additional Joint Registrar rejected the revision petition. The President has now filed an appeal before Government.

4. In the appeal petition presented to Government, the first six grounds advanced by the President for setting aside the decision of the Registrar are the same as were put forth by him in the revision petition which was disposed of by the Additional Joint Registrar. They are dealt with below.

P.T.O.

42

The first ground put forth by the President is that the Deputy Registrar has no jurisdiction to entertain the arbitration reference, the dispute under reference is not a matter touching the business of a registered society. In support of this contention the President cited two decisions in leading cases, as noted below:-

(1) "Dispute" does not include the question of constitution and membership".

(ii) "The Words - 'touching the business of the society' - are not confounded to disputes regarding the internal management of the affairs of the society or dispute with regard to the principles which would regulate the conduct of business."

The Disputes of this nature do come under the competence of the arbitration under section 51 of the Act and the Deputy Registrar has jurisdiction to try the reference. Most of such disputes have been tried in the past under this section, and some of them have gone on appeal to Government and been disposed of by them on their merits. The present plea deserves no attention as so far no Civil Court has taken that view and decided that, election disputes cannot be disposed of under section 51 of the Cooperative Societies Act.

The second ground advanced is that the Deputy Registrar has erred in holding that the procedure adopted for the election was against the express requirements of bylaw No.17 (2). The decision of the arbitration is very clear on the point (Vide Para 8 of his Judgment). The election was not conducted in a meeting of the general body; but it preceded the meeting. The arbitration held that under bylaw No. 17(2) the representatives of individual share holders should be elected by the full general body and that the election, if any, could be considered regular only when it was conducted at the full general body which met on 19th March 1947 at 4 P.M. The polling on the other hand took place between 10 A.M. and 3 P.M. on 19th March 1947 and the result was announced in the general body which met at 4 P.M. The President has now raised a point that the bylaw under reference i.e., 17 (2) does not specifycally state that the election shouldbe conducted "at the general body meeting" or "in the general body meeting". The Bank argues that such specific provision exists in respect of election of representatives of societies (Vide Bylaw No.17(1)). Clause (2) of the bylaw reads as follows:-

"The representatives of individual share holders shall be elected by the full general body of the Central Bank ....encumbrances."

But bylaw 17 (2) clearly lays down that the election should be by the full general body. It means that the election can take place only when the full general body assembles. In the case under referance, the general body meet at 4 P.M. It is found that 310 persons had polled; while the number of persons who attanded the general meeting was only 103. It cannot be stated that the election was conducted by the 103 members who attended the general meeting at 4 P.M. The arbitrator is perfectly correct in holding that the election was null and void.

The other points pressed by the petitioner are the following:-

(a) The plaintiff has not made out any irregularity in the conduct of the election and that he has not also given evidence to prove any confusion in voting, as a result of the subsequent instructions to the polling officers.

(b) The Deputy Registrar has mis read the ballot papers.

(CONTD)

(c) It was not proved before the arbitration that the unsuccessful candidates had any chances of success, if the invalidated papers were scrutinised.

(d) The Deputy Registrar has failed to note that the procedure adopted with regard to the get up of the ballot papers, method of election etc., were in accordance with the directions of the Registrar, the Joint Registar and the Deputy Registrar and that the President consulted the contesting candidates at every stage.

All these points are of minor importance. The Depty Registrar and arbitrator has dealt with (a) (b) and (c) in the judgment. As regards (d) it is an after thought of the petitioner. He did not raise this at the time of enquiry by the arbitrator; nor has he chosen to cite or produce any instructions issued by the Departmental Officers in this regard.

5. Coming to the points raised by the petitioner as regards the disposal of the revision petition by the Additional Joint Registrar, I solicit kind reference to the letter Rc.No.11372/47 B, dated the 7th October, 1947, of the Additional Joint Registrar addressed to the Bank in which all the points are dealt with. The President was also informed that the reference to section 47 in the copy of order received by the Bank was a mistake in fair copy for section 57 of the Act (Vide Additional Joint Registrar's letter dated 8th November, 1947 at 43 C.F. of D.11372/47 B.)

6. The petitioner has stated that it is only just that if the election be held invalid, the expenses of holding a fresh election shouldbe surcharged on the ex-president. This is not relevant to the issue regarding validity or otherwise of the election raised in the appeal petition.

7. The following records are submitted for reference and return.

(A) — 1. F.Dis.Cl.No.5/47 of the Deputy Registrar, Bellary.
(B) — 2. D.No.11372/47 B.
(C) — 3. Copy of the bylaws of the Bank.

The appeal petition is resubmitted.

8. As instructed in Government Memorandum No.126820III/47-2, dated the 7th January, 1948, the Deputy Registrar, Bellary has been directed to stay further action in the matter.

P Achyuta

For REGISTRAR.

VKS.
12.3.

94/27/4

45 Development Depts

Boards Acts & Rules – Co-op. Societies Act – Bellary Dt – Hospet – The Co-op. Central Bank Electing of Directors – Appeal under Sec 57 against the orders of the Joint Registrar – Rejected.

Rp 25-2-47 Ref. from the President, the Hospet Co-op. Central Bank Ltd dated ~~8-1-1948~~ 17.12.47 from the R.C.S. in No 44494/48 B dated 11.3.48 G.O. Ms. 207 dated 26/4/48

Rp 41-43 C.F

The appeal petition is

To ~~appeal with records~~ R.P. 13/5/48 rejected.

The President, the Hospet Co-op. Central Bank Ltd. Hospet. (by Regd. Post.) 21/4/48 22/4/48 27/4/48

The R.C.S. (with records returned)

(A) (1) F. Dis Cl. No. 5/49 of the Dy Regr Bellary
(B) (2) G.O. Ms. D. No 11372/49-B.
(C) (3) Copy of the bylaws of the Society

Chennabasappa B.A.,
CHAIRMAN,
District Cottage Industries Committee,
PRESIDENT,
The Hospet Co-operative Central Bank Ltd.,

Post Box No. 17
HOSPET.
[Bellary District]

Ro 2073
Ro/ce/ver.

25

Date 28th May 1948.

Transfer (1)

P45CF (V)

Hon'ble Sri. Chandramouli

you were kind enough to grant me interview on 18th at Madras. I requested you to revise the orders passed on the election dispute of our institution. As you had programme to leave Madras, you instructed me to write a private letter to you after 23rd, at which time it would be convinient to you to go through the papers.

I request you to go through the papers and revise the orders. With respects to you.

Yours

C. Chennabasappa

Hon'ble Sri. K. Chandramouli
Minister for Local Administration
Madras.

The Hospet Co-operative Central Bank Ltd.

Sri. A. Chennabasappa, B.A.
PRESIDENT.

D.O.

Dated 15 - 6 - 1948.

Dear Hon'ble Sri. Chandramouli,

Sub:- Hospet Co-operative Central Bank Ltd., Hospet.
Board meeting- Deputy Registrar's interference.

I have brought to your kind notice, the affairs of the Hospet Co-operative Central Bank Ltd., Hospet already. After receipt of the communication from the Government stating the revision petition has been rejected, I requested you to go through the papers personally. You were pleased to promise me do so after 23rd of May '48. I request you to look into the papers and communicate to me the result.

The Departmental Officers who are bent up on oustin me and my party from the Central Bank are constantly interfering without any reason. The control of this Bank was vested in the hands of some people who held office for more than 15 years. Thi time I and my friends defeated the previous group in the electio held in the month of March '47. Since that time the Departmenta Officers are unnecessarily interfering in the day to day Administration of the Bank and hindering normal work. The letter addressed to the Registrar of Co-operative Societies, copy of which I have enclosed, reveals how the Deputy Registrar Bellary, unjustly acted.

The present Deputy Registrar Sri. D. Sundaram, who openly supports the previous party, constantly interfers with an intention of showing to the Registrar, that some ill will exists between the Departmental Officers and the Bank. So that he may recommend and request the Registrar to supersede the Bank.

As Sri. D. Sundaram, Deputy Registrar is unfair in all his dealings with the Bank and cherished prejuduced views. I firmly believe no Co-operative Work can be turned out efficiently. In the interest of the Co-operative Movement, I request you to order an enquiry for his high handedness and

Yours sincerely,

transfer him soon from the District with regards.

Your's Sincerely,

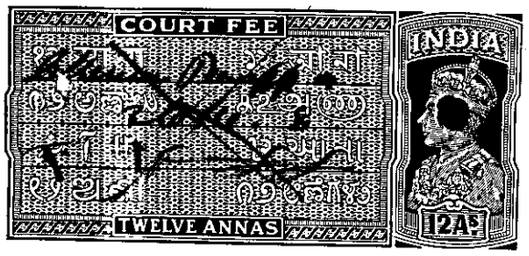
PRESIDENT. 15/6

Government of Madras.
M A D R A S.

Bank Dept.

- The main file on the subject (Hospet Central Banks election dispute) was circulated to Hon (CA) on 7.6.4 This may kindly be returned to the main file is returned received back.

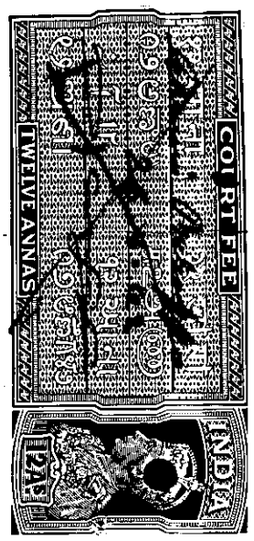
28/6/er. Asst
28/6/65



27

Dated 26th June 1948.

51



The Hon'ble Minister for Co-operation,
Government of Madras,
Fort St.George, Madras.

The President Hospet Co-operative Central Bank Ltd, Hospet. ... Petitioner

Vs.

M.Subrahmanyam Clerk I.S.R. Ltd. Hospet.

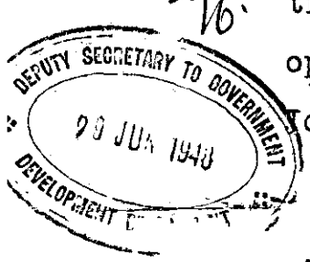
Petition presented under Sec.57 of the Madras Co-operative Societies Act VI of 1932.

The Petitioner abovenamed begs to present this petition and requests the Government to revise the orders passed on his previous petition presented on 17-12-1947. The Petition presented on 17-12-1947 by the Petitioner was rejected by the Government of Madras, in their G.O.No.2075 dated 26th April 1948 Development Department.

The Petitioner begs to request the Hon'ble Minister to revise the orders and restore five directors whose election has been set aside by the Deputy Registrar of Co-operative Societies,Bellary and upheld by the Additional Joint Registrar of Co-operative Societies,Madras.

Since 18--5--1947 the Bank is getting on with only nine directors,as five other directors were removed by the ~~Boardxxx~~ award of the Deputy Registrar dated 18-5-1947.

The Petitioner begs to request the Hon'ble Minister to issue instructions to the Registrar of Co-operative Societies Madras not to press for election of the five share-holding directors,pending orders on this petition.



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All the allegations by the Respondent are made against Bank and its Ex.President. If the order of the Government is not revised, the five directors, whose election has been set aside without any allegation against them, will have - claim against the Bank for damages. ~~This may lead the Bank~~ into further litigation.

In these hard days the Co-operative Central Bank has - got to play an important part in the Development work of the district. The present award does not give any scope for such activities, as the petitioner is convinced that the - five other directors will surely lead the Bank into litigation, as the present award recognised their claim for damages.

The Petitioners beg to request the Hon'ble Minister - to revise the orders as early as possible and restore the five directors whose election has been set aside pending orders - instructions may be issued to the Registrar of Co-operative Societies, not to press for election, at an early date.

I beg to remain,

Yours obediently,

G. Chennalmatts

(President, Co-operative Central Bank Hospet).

Dated. 26th June 1948.

Dear Dasa

Hospet central Bank - Election Dispute

The previous papers on the subject was circulated to H.M.(A). We may l.o. till the return of file or till 10.7.48 whichever is earlier.

25/7/48

2/7/48.

53

The Hospet Co-operative Central Bank Ltd.

Sri. A. Chennabasappa, B.A.,
PRESIDENT.

HOSPET.

Dated 1 - 7 - 1948.

To,
The Secretary,
Development Department,
Government Of Madras, M A D R A S.

2- JUL 1948
DEVELOPMENT DEPARTMENT

Sir,

Sub:- Hospet Co-operative Central Bank Ltd., - Election dispute- my petition D/ 26 - 6 - 48.

- - - -

I presented a petition under sec. 57 of the Co-operative Societies Act. 1932, requesting the Government to revise the order in the matter of election dispute, on 26-6-48. I request you to issue instructions to the Registrar of Co-operative Societies to stop further proceedings on this subject, till my petition is disposed of by Government.

Yours faithfully.

K.S./1-7.

PRESIDENT.

Dear Reddi

May I.o. like the receipt of the file from circulation as the G.O. is already ordered as per 4 above

9-7-48

55 9 32

The Hospet Co-operative Central Bank Ltd.

Sri. A. Chennabasappa, B.A.,
PRESIDENT.

HOSPET.

29

Dated 1 - 7 - 1948.

Dear HON'BLE Sri. Chandramouli,

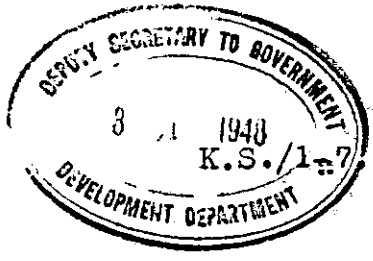
see deal
please enter
R-C-S-to
meet me before
he talks action
action regarding supersession

Sub:- Hospet Co-operative Central Bank Ltd.,- Election dispute- my petition dated 26 - 6 - 48.

On 24-6-48 the Registrar Of Co-operative Societies has issued a notice under sec. 43 of the Madras Co-operative Societies Act. 1932 to state objections for supersession of the Committee. I have presented a petition for revising the orders of Government Of Madras under Sec. 57 of the Madras Co-operative Societies Act 1932. I request you to issue instructions to the Registrar to stop further proceedings in this matter. With respects.

Yours sincerely.

G. Chennabasappa
PRESIDENT.



To,
HON'BLE Sri. K. Chandramouli,
Minister For Co-operation & Local Administration,
Government Of Madras. Madras.

Vr. Issue on 6/7/48.

5/7/48

30 ## 57

Development Department.

Memo. No. 61914 BII/48-1 dated 6.7.48.

Sub:- Cooperative Societies - Hospet Cooperative Central Bank, Election dispute.

Ref:- G .O. No. 2073 Dev. dated 26-4-48.

The R.C.S. is requested to meet H.M.(L.A.) before final action is taken to supersede the committee of the Central Bank , Hospet, or to hold a fresh election.

A copy of the letter from the President of the Hospet Central Bank dated 15-6-1948, is referred to the R.C.S. for early remarks.

To the R.C.S. (with encls).

5/7/48

31 13 52

C.F. 32.

Cooperative Department

From (Name) Sri Rao Bahadur J.C.Ryan, M.A.,

Designation Registrar of Cooperative Societies,

Station Chepauk, Madras.

Received ——— Registered ———

To

The Secretary to Government,
Development Department,
Fort St.George, Madras.

77558 59

Enclosures:

No. 61914/Coop.II/48-1 dated 11th July 1948.

Sir,

Subject:- The Hospet cooperative central bank Ltd., complaint by the President - against the Deputy Registrar - Reports - submitted.

Ref:- Government memorandum No.61914/Coop.II/48-1 dated 6-7-'48

In the memorandum cited, Government have called for my remarks on the letter dated 15-6-48 from the President of the Hospet cooperative Central Bank. In the letter, he has mentioned that the departmental officers are bent upon ousting him and his party from the Central Bank. The circumstances that necessitated the issue of supersession notice to the committee of the Hospet cooperative Central Bank are explained briefly.

2. The Board of 14 directors consisting of 5 individuals and 9 society representatives was elected in the general meeting of the Bank held on 1-4-47. One Sri Subramania Mudaliar an individual share holder of the Bank contested the elections, filed an arbitration reference under section 61(1)(c) of the Madras Cooperative Societies Act before my predecessor and the reference was transferred to the Deputy Registrar, Bellary for disposal. In the reference, the validity of the election of the individual directors was questioned. The Deputy Registrar on enquiry into the reference declared the election of these directors invalid by an order dated 1-8-47. He also ordered that a fresh election should be conducted. Against this decision a revision petition was filed before the Additional Joint Registrar on 17-8-47. The Additional Joint Registrar rejected the petition on 26-8-47. The effect of this decision was that the election of the individual directors held on 19-3-47 was invalid. In pursuance of this decision, the President should have arranged to hold a general meeting of the bank to fill up the five vacant seats. He did not do so as he was delaying action on some plea or other. On 17-12-47, he filed a second appeal before Government against the decision of the Additional Joint Registrar and the appeal was rejected in G.O. No.2073 Development dated 26-4-48. After this final order of Government, with a view to giving a fair chance to the directors of the bank to convene a general meeting in the ordinary course and fill up the vacancies, the Deputy Registrar Bellary requested the President on 10-5-48 under section 15(1) of the Madras Cooperative societies Act to convene a general meeting within a month. The President convened a meeting of the Board on 12-6-48 at 2 P.M., but the agenda for this meeting did not contain the subject of convening a general meeting requested by the Deputy Registrar under the said statute. The President too did not arrive for the meeting in time ~~and the meeting in time~~ and the meeting could not be held for want of quorum. Thus proper and effective steps were not taken by the President of the Bank to convene a general meeting even after it was requested under section 15 of the Act.

3. After the general meeting on 19-3-47 in which the directors were elected, several meetings of the Board were convened between the dates 1-4-47 and 12-6-48 but had to be adjourned either due to want of quorum or lack of agreement and understanding among the directors. The number of meetings which could not be held and the reasons therefor are indicated in the notice of supersession a copy of which is enclosed for the information of Government. Thus the business of the Bank could not be carried on smoothly and Board meetings were not held once a quarter as

required under bylaw No.22 of the bank.

4. In the meantime the Deputy Registrar reported that the President and three other directors representing societies had lost their seats in the board under bylaw No.20 of the Bank owing to their absence from three consecutive meetings. Thus there were only five directors left on the board; five directors cannot meet and carry on the business of the bank as the quorum for a board meeting is 8 according to bylaw No.22. The five directors who continue in office also wrote to me that it would not be possible to conduct a general meeting to elect fresh directors to fill up the vacancies and therefore requested me to supersede the committee. A deadlock was thus created in the working of the bank. The Deputy Registrar also reported that there was no possibility of holding any general meeting peacefully even if one was convened by him under section 15(2) of the Act.

5. In the above circumstances there was no other go except to issue a notice of supersession under section 43 of the Madras Cooperative Societies Act to all the 9 Directors representing societies. The President requested time till 8-7-48 to send his objections to the proposal and it was granted. But he has not yet sent his reply to the notice.

6. The Madras Provincial Cooperative Bank which is financing the Hospet Central Bank was consulted as required under section 43. Its executive committee which met on 4-7-48 considered the subject and passed the following resolution.

"Since the trouble has arisen on account of the factions among the persons elected to the Board of Management, the Board of Management will have to be superseded but the period of supersession may be restricted to six months during which time a general body meeting may be held and the Board reconstituted".

7. From the facts mentioned above, it may be seen that the President allowed matters to develop to such an extent as to necessitate the extreme step of supersession of the committee. There is no point in his saying now that the departmental officers are bent upon ousting him. The Deputy Registrar who decided the arbitration reference filed against the President and the five individual directors is not the present officer. Further, the President has not mentioned any concrete allegation against the Present Deputy Registrar and he does not also say in what respects he interfered in the administration of the bank and how his continuance in the district will be undesirable. In the circumstances, no action appears necessary on his letter.

8. I have met the Hon'ble Minister, Local Administration, to-day as directed in the Memorandum cited. I solicit orders regarding supersession.

P Achyuta Menon

For Registrar.

sG.12.7.

12.7.48

32 45 61

Rc.629/47 A.

Office of the Registrar of Cooperative Societies, Madras.
Dated 24-6-1948.

Sri Rao Bahadur J.C.Ayan M.A.
Registrar.

NOTICE UNDER SECTION 43 OF THE MADRAS COOPERATIVE SOCIETIES ACT 1932.

Sub:- The Hospet Cooperative Central Bank Limited - Bellary district - supersession of the Committee - Proposals - Objections to - called for.

Ref:- Correspondence ending with letter R.C.2307/47 B dated 18-6-1948 from the Deputy Registrar Bellary.

The affairs of the Hospet Cooperative Central Bank ltd. No.5398 have not been satisfactory for some time. The trouble started with the election of the members of the Board of Management at the general meeting held on 19-3-1947. In the above meeting, 14 directors consisting of five individuals and nine society representatives were elected. The election of the five individuals and nine societies was challenged before the Deputy Registrar. He declared the election of the five individual directors invalid. Against this decision, an appeal was filed before the Additional Joint Registrar and he confirmed the decision of the Deputy Registrar on 26-3-1947. In pursuance of the appellate decision, the President should have arranged to hold a general meeting to fill up the five vacant posts of the individual directions. He did not do so and was delaying action on some plea or other. He filed a second appeal before Government against the decision of the Additional Joint Registrar and the appeal was rejected in G.O.No.2073 Development dated 26-4-1948. After this final orders of Government, with a view to give a fair chance to the directors to convene a general meeting in the ordinary course and fill up the five vacancies in the Board of Management, the Deputy Registrar Bellary requested the President on 10-5-1948 under section 45(1) of the Madras Cooperative Societies Act 1932 to convene a general meeting within a month. The president convened a meeting of the Board on 15-6-1948 at 3 P.M. Even the agenda for this meeting did not contain the subject of convening a general meeting which was requested by the Deputy Registrar under statute. The President himself did not arrive for the meeting till half an hour after the notified time and the meeting dispersed without quorum.

Thus, proper and effective steps were not taken to convene a general meeting even after it was demanded by the Deputy Registrar under Section 15 of the Act.

2. There is a clear cleavage in the Board as is evidenced by the frequent adjournment of the Board meetings for want of quorum and such adjournments have been highly detrimental to the interests of the bank. It has also resulted in unnecessary heavy expenditure to the bank without transacting any business in the meetings. The meetings convened on the following dates were adjourned, either due to want of quorum or lack of harmony and understanding among the directors.

1-4-1947	no quorum
16-4-1947	Adjourned to 19-4-1947
19-4-1947	Could not transact business as some members left the meeting hall in the middle.

P.T.O.

33 47 63

13-5-1947	No quorum
9-11-1947	-do-
23-11-1947	Six members left the hall as a protest.
14-12-1947	No quorum
21-12-1947	-do-
2- 5-1948	-do-
15- 5-1948	-do-
13- 6-1948	-do-

A

Thus, during the past one year and 2 months, the business of the bank could not be carried on smoothly and meetings were not held once a quarter as required under bylaw No.22 of the Central Bank.

3. It is also reported that the President and three other directors have lost their seats in the Board under bylaw No.20 of the Bank owing to their absence from three consecutive meetings of the Board. Thus there are only five directors now in the Board whose total strength is 14. Of the five directors, only two are members of the executive committee. The quorum for the Board and the executive committee meeting is eight and three respectively. So neither a board meeting nor a meeting of the executive committee can be held. The five directors who continue in office have also written to me that under the present state of affairs it will not be possible to conduct a general meeting and elect fresh directors to fill up the vacancies and have therefore requested me to supersede the committee. I am also convinced that a deadlock has been created in the working of the Bank and that there is no possibility of holding a general meeting peacefully even if one is convened by the Deputy Registrar under Section 15(2) of the Madras Cooperative Societies Act.

4. With a view to safeguard the interests of the depositing public and share-holders and to place the bank on a satisfactory working condition I propose to supersede the (Board of management) committee of the Hospet Cooperative Central Bank Limited under Section 43 of the Madras Cooperative Societies Act, 1932. The President of the Central Bank is requested to state in consultation with the other members of the Board the objections if any, to my proposal, before 5-7-1948.

J.C.Ryan.
Registrar.

To Sri A.Chennabasappa, President, Hospet Cooperative
Central Bank Limited.
Copy to the other 8 members of the Board through the Deputy Registrar, Bellary.
Copy to the Secretary, Hospet Central Bank.
Copy to the Secretary, Madras Provincial Cooperative Bank.
Copy to the Deputy Registrar Bellary.

Forwarded/By order

Sec. 15.
ASH.25.6.

Superintendent.
25/6.

Development Department

Memo. No. 61917 BII/48-2 dated 20.2.49

Sub:- Cooperative Societies - Bellary Dt.- Hospet Cooperative Central Bank Ltd.- Election Dispute

Ref:- From Sri A. Chennabasappa, The President Hospet Cooperative Central Bank, Ltd. dated 24-5-48 From the R.C.S. Lr. No. 629/47-A d. 11-7-48

The Govt. direct that:-

(i) the supersession orders issued in the Registrar's R.C. No. 629/47-A dated 24-6-48, should be kept in abeyance;

(ii) the Dy. Registrar should again ask the President, under Sec. 15 (1) of the Cooperative Societies Act to call for a general body meeting of the Bank for the election of the 5 directors representing the individual share holders;

and (iii) if the President declines to call for a meeting, the Deputy Registrar himself should call for a general body meeting, under Sec 15 (2) of the

Act and get the election conducted.

The R.C.S. is requested to to issue necessary instructions in the matter and submit a report to Govt. on the action taken in due course.

To the R.C.S.

I.R.15-9-48.

CO-OPERATIVE DEPARTMENT

From
Sri Rao Bahadur J. C. Ryan, M.A.,
Registrar of Cooperative Societies,
MADRAS.

To
The Secretary to Government,
Development Department,
Fort St. George, MADRAS.

No.Rc.629/47.A

Dated, 20th July '48.

Sir,

Sub:-The Hospet Cooperative Central Bank Ltd. - Affairs of

Ref:- My letter No.Rc.629/47.A dated 11-7-48.

In continuation of my letter cited, I enclose a statement showing the dates and the journeys made and the travelling allowance claimed by Mr. Chennabasappa, the President of the Hospet Cooperative Central Bank, during the period 1-1-48 to 30-6-48. It may be observed from the statement that he has been performing unnecessary journyes from his native place to Hospet on the plea of attending to office work. The first set of bills for the months of January, February and March, 1948 were cashed on 26-4-48 and for the latter period on 30-6-48. On an average he had been claiming about Rs.200/- every month under travelling allowance. I report these facts for the information of the Government.

for Registrar.

c.t.20.7.

...r ... for ... month of January 1948 of Sri ...Shanmugasundaram, President, ...D.B.

Date	From	To	No. of miles.	Mileage	D.A.	Amount	Purpose of journey
...-1-4	...	...spet	45	0-4-0	3-0-0	14- 4-0	Office work
...-1-4	...	...llary	40			6- 7-0	D.A. 3-0-0
		...	40			3- 7-0	R.F. 3-7-0
...-1-4		...Hadagalli					
		Hospet	45			14- 4-0	
...-1-4	...	...llary	45			14- 4-0	Office work
		Return	45			11- 4-0	
11-1-4	...	...llary					
		viz Hospet	45			17-11-0	Mil. 11-4-0 D.A. 3-0-0 R.F. 3-7-0
12-1-48	...llary	...Hadagalli	45			17-11-0	
14-1-4	...	...spet	45			14- 4-0	Office work
1 -1-4	...	H. ...Hadagalli	45			14- 4-0	"
21-1-4	...	...spet	45			14- 4-0	"
2 -1-4	...	...Hadagalli	45			14- 4-0	E.C.Meeting.
28-1-4	...	...spet	45			14- 4-0	Office work
...-1-4	...	...Hadagalli	45			14- 4-0	"
...-1-4	...	...spet	45			14- 4-0	"
...1-1-48		...Hadagalli	45			14- 4-0	"
						213- 4-0	

February 1948

...-2-4	...	...spet	45			14- 4-0	Office work
	...	Return	45			11- 4-0	"
6-2-4	...	...spet	45			14- 4-0	"
		Return	45			11- 4-0	"
1 -2-4	...	...spet	45			14- 4-0	"
13-2-4	...	V.Hadagalli	45			14- 4-0	"
1 -2-4	...	...spet	45			14- 4-0	"
19-2-4	...	...Hadagalli	45			14- 4-0	"
22-2-4	...	...spet	45			14- 4-0	E.C.Meeting.
23-2-4		Halt				3- 0-0	"
24-2-4	...	...Hadagalli	45			14- 4-0	"
2 -2-4	...	...spet	45			14- 4-0	"
29-2-48	...	Kirehaadagalli	45			14- 4-0	
						168- 0-0	

March 1948

1-3-4	...	Hal	10			5- 8-0	
...-3-4	Hal	...Hadagalli	10			5- 8-0	
...-3-4	...	...spet	45			14- 4-0	Office work
7-3-4	...	...Hadagalli	45			14- 4-0	"
12-3-4	...	...spet	45			14- 4-0	"
15-3-4		Halt				3- 0-0	
1 -3-4	...	...Hadagalli	45			14- 4-0	"
17-3-4	...	...spet	45			14- 4-0	"
		Return				11- 4-0	"
19-3-48	...	Kuruvathi	18			7- 8-0	E.C. Meeting.
		Return	18			4- 8-0	
20-3-4	...	Hangaman	6			4- 8-0	
		Return	6			1- 8-0	
23-3-4	...	...spet	45			14- 4-0	Office work
		Return	45			11- 4-0	"
26-3-4	...	...spet	45			14- 4-0	"
27-3-4	...spet	...Hadagalli	45			14- 4-0	"
29-3-48	...	...spet	45			14- 4-0	"
30-3-48	...spet	Bellary				6- 7-0	D.A. 3 II Class 3-7-0
31-3-48	...llary	...Hadagalli viz ...spet	45			17-11-0	
						206--14-0	

April '43

[illegible]	[illegible]alli	[illegible]ospet	45	0-4-0	3-0-0	14-4-0	Office work
	[illegible]t	Hirehadagalli	45			11-4-0	Return
[illegible]	-do-	-do-	90			25-8-0	do-
[illegible]	Hirehadagalli	[illegible]ospet	45			14-4-0	do-
5-4-43	[illegible]spet	Hirehadagalli	45.			14-4-0	Return
13-4-43	Hirehadagalli	[illegible]ospet and return	90			25-8-0	Office work & Return
14-4-43	Hirehadagalli	[illegible]spet	45			14-4-0	Office
17-4-43	[illegible]t	Bellary	2			10-10-0	Bank Mileage 6-12-0 D.A. 3-0-0 R.T.I. Class 6-14-0
18-4-43	Hospet	Hirehadagalli	45			14-4-0	Return journey
22-4-43	Hirehadagalli	Hospet	45			14-4-0	Office.
23-4-43	Hospet	Hirehadagalli				14-4-0	Return journey
24-4-43	Hirehadagalli	Bellary	47			18-3-0	D.A. 11-12-0
26-4-43	Bellary	Hirehadagalli	46			17-15-0	D.A. 3-0-0 Branch Mail R.T. 3-7-0 D.A.
						(11-6-0	3-0-0 3-7-0)
29-4-43	Hirehadagalli	Hospet	45			14-4-0	—
30-4-43	Hospet	Hirehadagalli	45			14-4-0	
						237-4-0	

May 1943.

3-5-1943	Hirehadagalli	Hospet	45	0-4-0	3-0-0	14-4-0	Office.
5-5-1943	Hospet	Hirehadagalli	45			14-4-0	"
8-5-1943	Hirehadagalli	Hospet	45			14-4-0	"
9-5-1943	Hospet	Hirehadagalli	45			14-4-0	Return Journey
10-5-43	Hirehadagalli	Hospet	45			14-4-0	Office.
11-5-43	Hospet	Madras	2		5-0-0	34-8-0	Mileage Allowance Halt Allowance.
17-5-43	Halt	Madras.				5-0-0	
18-5-43	Madras	Hospet	2		5-0-0	34-8-0	Return Journey
19-5-43	Hospet	Hirehadagalli	45			14-4-0	"
20-5-43	Hirehadagalli	Hospet	45			14-4-0	Office.
21-5-43	Hospet	Hirehadagalli	45			14-4-0	Return.
24-5-43	Hirehadagalli	Hospet	45			14-4-0	Office.
25-5-43	Hospet	Hirehadagalli	45			14-4-0	Return.
						216-8-0	

June 1943

2-6-43	Hirehadagalli Hospet		45	0-4-0	3-0-0	14-4-0	Office work
3-6-43	Hospet Hirehadagalli		45			14-4-0	Return
6-6-43	Hirehadagalli Hospet		45			14-4-0	Office work
7-6-43	Hospet Hirehadagalli		45			14-4-0	Return
13-6-43	Hirehadagalli Hospet		45			14-4-0	Office work
14-6-43	Hospet Hirehadagalli		45			14-4-0	Return Journey
16-6-43	Hirehadagalli Hospet		45			14-4-0	Office work
19-6-43	Hospet Hirehadagalli		45			14-4-0	Return
21-6-43	Hirehadagalli	Hospet	45			14-4-0	Office work
22-6-43	Hospet	Hirehadagalli	45			14-4-0	Return
23-6-43	Hirehadagalli	Hospet Return	90			25-8-0	Office work & Return
27-6-43	Hirehadagalli	Hospet	45			14-4-0	Office work
28-6-43	Hospet Hirehadagalli		45			14-4-0	Return
30-6-43	Hirehadagalli	Hospet	45			14-4-0	Office work
						10-12-0	

37 ~~32~~ 71

			Contract.		Advance account	
		Amount		Amount	Bill.	Balance
[illegible]		21[illegible]	21-11-47	10[illegible]		10[illegible]
[illegible]		1[illegible]	16-12-47	30[illegible]		30[illegible]
[illegible]		3 6-1[illegible]	2- 2- 4[illegible]		300-0	[illegible]
[illegible]		3 7- [illegible]	3- 2-4	[illegible]		[illegible]
[illegible]		1[illegible]	"	3[illegible]		2[illegible]
[illegible]		21 -12-[illegible]	26- 4-4[illegible]		200-[illegible]	[illegible]
			1st batch [illegible]			
[illegible]		1252-10-0	[illegible]m for January, February & March 4[illegible]			
			30- 6-4[illegible]		[illegible]	[illegible]

/tru [illegible] /

for Registrar.

C.I.2 .7. 20.7.46

Copy of D.O. Letter NO. Nil dated 1st August 1948 From the Rresident, The Hospet Cooperative Central Bank Limited to the Registrar of Cooperative Societies Madras.

Sub:- Hospet Cooperative Central Bank - Election of individual directors

When we discussed the affairs of our Central Bank on 19-7-1948 in the Cahmber of the Honourable Minister for Local Administration, you advised me to refuse to call for the general body meeting so that the Deputy Registrar of Cooperative Societies Bellary may call for the same. As agreed upon I do not propose to call for the General body meeting . As per bylaws of the Bank I am not the competant authority to refuse to call for the meeting of the general body. It is the previlege of the executive committee. Hence, I have called for the meeting of the executive committee on 8-8-1948 to consider this subject. I am sure the executive committee will support me in this matter.

I hope I have made myself clear to you that the present Deputy Registrar bears prejudiced views against me. I request you to post a new Deputy Registrar who bears no illwill against anybody in this district, to conduct elections impartially.

As myself and the executive committee have agreed to sacrifice our previlege to call for the meeting of the general body it is fair to post a new Deputy Registrar to see that elections are conducted impartially.

As the executive committee is meeting on 8th of this month I request you to favour me with reply so that I may successfully advise the members of the executive committee to give up their previlege of calling for the meeting of the general body . Thanking you.

/True copy/

OFFICE OF THE REGISTRAR OF
COOPERATIVE SOCIETIES MADRAS
DATED 3-8-1948.

D.O.No.629/47 A.

Dear Mr. Channabasappa,

Ref:- Your D.O. letter dated 1st August 1948.

I have no advice to give you beyond what the Honourable the Minister gave you when you met him and me last in his room at the Secratriat.

I regret I cannot transfer the Deputy Registrar. If you have any charges to make against him you can do so and they will be investigated.

Yours Sincerely,
(sd.) J.C.Ryan,
Registrar.

Sri A. Channabasappa B.A.,
President, The Hospet Cooperative
Central Bank Limited.,
HOSPET (Bellary District.)

Copy submitted to the Secretary to Government with a copy of the President's letter. He wanted that the Deputy Registrar alone should conduct the general body meeting. He was told that it could be done under section 15 of the Cooperative Societies Act only if there was a refusal and convene the general body. This may be shown to Honourable Minister.

J.C.Ryan
Registrar.

G.F. 32.

Cooperative Department	Received ..... Registered .....
From (Name) Sri Rao Bahadur J.C.Ryan,M.A.,	**To**
Designation Registrar of Cooperative Societies,	The Secretary to Government, Development Department,
Station MADRAS.	Fort St. George, MADRAS.

Enclosures:

No. Rc.629/47.A dated 2-11-48. 194

Sir,

Dev 116368 TSU/48
4-11-48.

Sub:- The Hospet Cooperative Central Bank Ltd. - Convening of General Meeting under section 15 of the Madras Cooperative Societies Act - Results - Report submitted

Ref:-Govt. Memo No.61914.B.II/48.2, dated 20-7-1948.

In the memorandum cited, Government directed that the President of the Hospet Cooperative Central Bank should be asked again under section 15(i) of the Madras Cooperative Societies Act, to call for a General Meeting of the bank for the election of the five individual directors, and that if the President declined to call for the meeting, the Deputy Registrar should call for the meeting under section 15(2) of the Act. I issued instructions to the Deputy Registrar, Bellary accordingly. The Deputy Registrar requested the President of the Bank under section 15(1) of the Act on 28-7-48 to convene the General Meeting within a month from the date of the receipt of the requisition. But the President did not call for the meeting within the period. The Deputy Registrar, therefore, called for the General Meeting himself under section 15(2) of the Act, on 18-9-48. But the meeting had to be adjourned at the request of the Collector Bellary, on account of the Hydrabad troubles, for reasons of security. The Deputy Registrar issued a fresh notice and called for the meeting on 23-10-48. The meeting was held on this date. The President was present at the meeting and presided over it in accordance with the bylaws of the Bank. The Deputy Registrar was also present. The election of the following five directors from the individual share holders was made at the meeting:-

1. Sri N. Chennaveeriah	REPRESENTING Western Taluks
2. Sri Murari Venkataswamy	
3. Sri P. Gurunathappa Setty	
4. Sri M. Maribasavana Gowda	Representing Eastern Taluks.
5. Sri S. Seetharama setty	

2. At the meeting, an objection was raised questioning the action of the President in having issued a printed notice in the name of the bank requesting the voters to vote for the above five candidates who ultimately came out, successful in the election. The President also turned down the proposal of the names of two candidates of the opposite party, Viz. Messrs H. Linga Reddy and Y. Mahabaleswarappa, for the reason that they (the candidates) were not present at the meeting. The above points may have to be considered only if a reference is filed under section 51 of the Madras Cooperative Societies Act by any of the aggrieved parties. Till then no action is called for. I shall keep a close watch over the affairs of the Bank and see how the new Board conducts the affairs of the Bank.

Not put up

P Ayyaswami

for Registrar.

c.t.3.11

M. Subramaniam
CANE SUPERINTENDENT

SUGAR FACTORY
HOSPET

9.11.48

MINISTER FOR LOCAL AFFAIRS
15 NOV 1948
120962

To
The Minister,
Co-operation
Govt of Madras, Madras

Sir,

Petition - Election dispute - The Hospet Co-operative central Bank, Ltd - Hospet

Sec(Dev) 16/11 We are enclosing herein a copy of the petition filed with the Registrar of Co-operative Societies, Madras, for your kind information.

Yours faithfully
M Subramaniam
9/11/48

42 35

81

In the Court of the Registrar of Co-operative Societies, Madras.

******

Between

1. Sri. M.Subramaniam, I.S. & R.Ltd., Hospet.
2. Sri.Korisetty Sangappa, Main Bazaar, Hospet.

Petitioners.

AND

1. Sri. N.Chennaveeriah, Hospet
2. Sri. Murari Venkataswamy, Hospet
3. Sri. P.Gurunathappa, Hospet.
4. Sri. Meribasavana Gowd, Kurugod.
5. Sri. S.Sitarama Setty, Bellary. (Newly elected directors)

Respondents.

PETITION UNDER SECTION 51(1) OF THE MADRAS CO-OPERATIVE SOCIETIES ACT VI of 1932.

1. The petitioners (a) Sri. M.Subramaniam son of Kolar Murugesa Mudaliar Hindu Vellala, aged 42, is a Share holder in the Hospet Co-operative Central Bank Ltd., Hospet.

(4) Sri. Korisetty Sangappa, Hindu, Lingayat, aged 58 is a share holder in the Hospet Co-operative Central Bank Ltd., Hospet.

Address for service.-

2. Sri. M.Subramaniam, Additional Cane Superintendent, The India Sugars & Refineries Ltd., Hospet, Bellary district.

3. The petitioners were the contesting candidates for director's seats of the Hospet Co-operative Central Bank Ltd., Hospet in the election held on 23-10-48 in the meeting called for by the Deputy Registrar of Co-operative Societies, Bellary, under section 15(2) of the Madras Co-operative Societies Act in his R.C.No. 2307/47/B-dated 23-8-48 and 3-10-48.

4. The method of conducting election by the President Sri.A.Chennabasappa was illegal, highhanded and ultra vires and not according to rules laid down by the byelaws of the Bank and the Deputy Registrar 's references noted in para (3) supra.

5. As the said meeting was called for by the Deputy Registrar of Co-operative Societies to elect five individual Directors under section 15(2) of the Madras Co-operative Societies Act after the refusal of the President of the Bank to conduct a meeting to elect five Directors as per the express direction of the Registrar of Co-operative Societies, Madras, the Chairman of the meeting ought to have been elected among the members present . But Mr. A.Chennabasappa, occupied the chair inspite of the objections raised by the members. Besides Mr. Chennabasappa knew that he had ipsofacto ceased to be a director from 13-6-48 for not attending consecutively for three Board meetings and that an arbitration reference was pending against him at the time of the election on this matter which was since decided against him.

25/10/48

Bond-50-

6. The Deputy Registrar's meeting notice in his R.C.No. 2307/47/B dated 28-8-48 and 3-10-48 connected certain specific directions with regard to conduct of election on which no opinion of the house was taken and recorded, but the President Sri. A.Chennabasappa directly called for nominations.

7. There were ten nominations proposed and duly seconded in two groups as follows:-

(a) Eastern Taluks.

Group I

Messrs. Maribasavana Gowd.
S.Sitarama Chetty.

Western Taluks.

Messrs. N.Chennaveeriah.
Murari Venkateswamy.
P.Gurunathappa Chetty.

(b) Eastern Taluks:-

Group II

Messrs. Rao Bahadur Y.Mahabaleswarappa.
H. Linga Reddy.

Western taluks:-

Messrs. Rao Bahadur A.D.Appu Mudaliar.
M.Subramaniam.
Korisetty Bangappa.

8-The President autocratically ruled out of order the two names proposed and seconded in the second group (1) Rao Bahadur Y.Mahabaleswarappa (2) H. Linga Reddy on the ground that they were not present in the meeting. Neither the rules stated in the meeting notices nor the conventions of the bank prohibit ex the absence from contesting the elections. The ruling of the President in not accepting the two valid nominations is illegal and the main cause for this complaint. (There was a recess announced for 15 minutes)

Further, the President while disallowing the two valid nominations of Sri. Y.M. and Sri. H.L. declared respondents 4 and 5 as duly elected for eastern taluks. At this stage Mr. A.Narayana Bhat objected to the said declaration. The objection was over-ruled. The President instead of recording votes and electing five Directors among share holders and share-holding depositors out of the ten nominations minus two disallowed i.e., eight, allowed only six, which is irregular and illegal.

As per the byelaws of the Bank the election of the two directors from the depositing shareholders ought to have been conducted before taking up the election of the other three directors. But by resorting to method in para (8) supra, a candidate disirious of standing and contesting has been deprived of his chance, as one of the Depositors seat was declared elected without a poll. (There was respite announced for 15 minutes)

25/10/48

9. At this s age objection was raiseu regarding the desirability of Sri. Chennabasappa conducting the election and counting of votes, as there were some printed pha plets purported to have been issued by the said President and some others supporting and canvassing for respondents 1 to 5 proposed and seconded in group I. The President was called upon, in propriety and fairness to the general body to vacate the chair and leave the conduct of the elections to any one of the members present. But he continued and occupied the chair and overruled the objection. It was also observed that the President Sri. A.Chennabasappa was also canvassing on behalf of the respondents 1 to 5 before the General Body meeting during the interval time

10. By resorting to the above methods the President violated the byelaws and all fair principles and conducted the elections to suit the convenience of the candidates 1 to 5 of group No. 1 and respondents herein sponsored and actively supported by himself.

11. The President knew fully well that if he had allowed Rao Bahadur Y.Mahabaleswarappa and Sri. H.Linga Reddy to contest the election his candidates - Respondents 1 to 5 would not have been returned at all and therefore invalidated the other candidates and created dislocation and confusion in the minds of the General Body members.

12. The nominations of Sr.. Y.Mahabalaswarappa and H.Linga Reddy was perfectly valid and the President's ruling was prejudiced., illegal, against all conventions. Had the nomination had been left to the house for electing the candidates, they wanted, the results would have been entirely different.

13. ~~Further the President used the influence of his office, in canvassing for votes for the candidates in whom he was interested during the interval~~ and used the subordinates of the Bank for the same purpose.

For this reason also, the President ought not to have continued to occupy the chair and conduct the elections.

14. As per the Notice R.C.No. 2307/47/B dated 23-8-48 and 3-10-48 the poll ought to have been taken on the 24-10-48 instead of 23-10-48, when a poll was demanded, but it was held on 23-10-48 contrary to the directions given in the notice, most of the members - particularly from Eastern taluks who wanted to come on 24-10-48, to avoid night stay on 23-10-48, on account of epidemics-cholera and Plague-were prevented from exercising their votes.

It is therefore prayed that the Honorable court be pleased to pass an award in favour of the petitioners:

1. TO SET ASIDE THE ELECTION OF THE RESPONDENTS ONE TO FIVE HELD ON 23-10-48 FOR THE ~~DISCRETIONARY~~ IRREGULARITIES AND ILLEGALITIES STATED ABOVE.
2. TO CONDUCT FRESH ELECTION.
3. TO AWARD COST OF THE PETITION.

Petitioners 25/10

Date: 25-10-48.

Hospet.

Copy of the
Petition for Co-operation
for information

19/1/42

Sri. (Dev) M

44

Petition of Chennabasappa.

Arbitration. Interest.

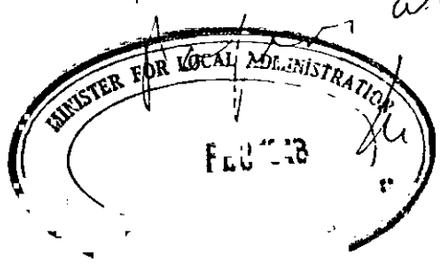
Crt. Central Bank L.T.D.

Settlg Dispute 75 Accts

in claim No 57/42 (1. 57/47)

please put up

at once.



8/2

Development Dept.

H.M's minute abm.

The file is submitted. A detailed report and the connected records are awaited from the R.C.S. [N.R. on 25.2.48]

Mr. Rees was asked to stay further action in the accordance with the order appealed against pending disposal of the petition

10/2/48

18.2.48

18.2.48

Hallay 19/2

From Sri. Subramaniam, Respondent, Interest & 23.2.48

Please see the telegram from Sri. Subramaniam at p 35 C.F requesting for an interview with the minister to represent the case. For 24/2/48 ord: to whether his request will be

Complied with. The case may be circulated to H.M.(L.A)

This request may perhaps be considered
24.2.48. When the Regr's Reports under petitions are
received and the case represented. Thereafter
I agree. H.M.
need not be
bothered again now
Cur
26.2.48

25.2.48

To A.S.

Please see the letter from Sri. M. Subramania Mudr. on p 41 C.F. The Regr ~~asks~~ may now be reminded. ~~called for urgently awaits~~ A draft reminder to the R.C.S. is submitted

27.2.48.

From the R.C.S. 4494/48 B dated 11.3.48.

Please see the petition from the President, The Hospet Co-operative Central Bank on pp 11-15 C.F and the remarks of the Registrar on pp 41-43 C.F.

pp 41-43 C.F

On March 19, 1947, the election of the five directors of the individual share holders of the Hospet Co-operative Central Bank ~~Ltd~~, Bellary was conducted and the following five gentlemen were elected:—

para 2 of p 41 C.F.

1. Sri. N. Channa Veeriah
2. Sri. Rao Sahib Muvai Venkataswami
3. Sri. Gurumathappa chetty
4. Sri. Rao Bahadur Mahabaleswarappa
5. Sri. S. Seetharama chetty.

'C' on p 41 C.F.

Against this election an arbitration reference was filed by Sri. M. Subramania Mudaliar, an individual share holder and one of the Candidates who contested the election of the ~~Directors~~ By Registrar, Bellary enquired into the matter and set aside the election. His judgement is at pp 145-155 of (A). Against the decision of the

x para 3a p 41 C.F

pp 17-21 f (A)

revision

30 Cr f (B)

to 1-15 ff

p 5 ne

[illegible] on p 43 f

By registrar, Bellary, The President[1] filed a petition to the Registrar and his Revision petition was rejected by the Additional Joint Registrar. The present petition before Govt is ago against these orders. The Regr. who was asked to stay stay orders has directed further proceedings in the matter to stay further proceedings in the matter, the Dy. Regr., The grounds advanced by the president of the Central Bank are as follows:-

pp 12-13 rr

(1) The petitioner points out that the Deputy Registrar has no jurisdiction to entertain the petition. He has stated that the matter in dispute is the validity of the election of certain directors is not a matter touching the business of a registered Society and, hence Section 70 S.1(1) of the M.C.S.A. 1932 would not apply because (a) 'Dispute' does not include the question of Constitution and membership and (b) the words 'touching the business of a Society' are not confined to disputes regarding the internal management of the affairs of the Society or disputes with regard to the principles which would regulate the conduct of business. The petitioner has cited two leading cases on this point.

The Regr. has stated that disputes of this nature do come under competence of the Arbitration under Sec 51. Most of such disputes have been decided. He considers that the plea does not deserve any attention as so far no Civil Court has taken this view. For orders if in the circumstances stated by the R.C.S. his recommendation that the prayer plea of the petitioner does not deserve any attention will be accepted..."

(2) That the Deputy Regr erred in holding that the procedure adopted for the election was against the express requirements of Bye law No 17(2). For the reasons given at M on p 17 C.F. the petitioner states that the Regr has wrongly read the By-law.

M on p 13 CF

The R.C.S. has stated that under By law 17(2) the representatives of individual Share holders should be elected by the full general body meeting and that the election, if any, could be considered regular only when it was conducted at the full general body meeting which met on 19.3.47 at 4 P.M. at the Bank premises

Z on p 42 CF

The polling in this case took place between 10 A.M and 3 P.M on 19.3.47 and the result was announced at the General Body meeting which met at the Theosophical Lodge at 4 p.m in the same day.

X on p 21 CF

For the reasons given at P on p 42 C.F. the R.C.S. has stated that the Arbitrator was perfectly correct in holding that the election was null and void.

The petitioner has also stated that

(1) that the plaintiff (Mr. M. Subramaniam) had not made out any irregularity in the conduct of the election and had also not given evidence to prove any confusion in voting;

para 3 on pp 13-14 CF

(2) that the Dy. Regr has misread the ballot papers;

para 4 on p 14 CF

(3) That the Dy Registrar had failed to note that the procedure adopted with regard to the get up of the ballot paper, method of election etc were in accordance with the directors directions of the Registrar, the Joint Registrar and the Dy. Regr & that the President consulted the contesting candidates at every stage;

para 6 on p 15 CF

(4) That in it was not

proved before the Arbitration; that the unsuccessful candidates has any chances of success, if the invalidates papers was scrutinised.

2 pas. 5 on p 14 ff

The R.C.S. considers that these objections are of minor importance and have been met by the Dep. Regr. in his judgment. As regards the petitioners contention that if the election be held invalid, the expenses of holding a fresh election be surcharged on the Ex-President, the R.C.S. has stated that it has no bearing on the issue. stay orders

8 on p 43 CF
X on p 19 r f
- W on p 15 r f

Please see the telegram received from Sri M. Subramaniam at p 35 ff in this connection and orders thereon at the top. of p. 2 above ~~for orders Sri Subramaniam Asst. to the petitioner is discussing. may also be heard before the petition is disposed.~~

para 6 on p 43 r f.

for orders whether in view of the foregoing, this Dept. will agree with the R.C.S. and reject the petition. If so, there seem to be no need to grant an interview to the respondent Sri M. Subramaniam.

JR 20/3/48.

JR 24.3.48

The main point at issue seems to be whether the election of directors was held in accordance with bylaw 17(2). This bylaw requires that Representatives of individual share holders should be elected by the full general body meeting. As the election was conducted ~~at~~ not at a full general body meeting which met at 4 P.M on 19-3-47 but was conducted at a meeting which preceded it, the Regr. considers that the S.R. was correct in holding the election as null and void. For orders

Regr
28 Mar 48

6

(Notes from p 2 ante)

The view of the R C S seems to be correct and may be upheld.

Bon
30.3.48

H. M. (C.A.)

DEPUTY SECRETARY TO GOVT. DEVELOPMENT DEPARTMENT 1 AP 1948

Orders in Circulation.

A draft order is submitted.

21/4/48 dft 28/4/48

D G.O. Ms 2073 Dev dt 26.4.48

12 Dy. 3 Bn
7/5/3

61 QU
18

47 7

Development Dept

Co.op. Society - Bellary Dt - Hospet Co.op. Central Bank Ltd - Election Dispute - Govt orders - Reconsidered

p 1 C.F. From Sri. A. Channabasappa, Hospet 8 24.5.48.

Extracts of H.M's minute on p 1 C.F.

"Sec (Dev.) Please put up previous papers
K.C. 31.5.48

The file relating to Hospet Co.op. Central Bank is put up at ①. Govt orders on the appeal petitions are at p 45 C.F of ②.

3/6/48 for 3/6/48

Cm 5.6.48

H. M. (L.A.)

please instruct R.C.S to meet me before he takes final action in this matter

Cm 3/7

DEPUTY SECRETARY TO GOVERNMENT 8 JUL 1948 DEVELOPMENT DEPARTMENT

H.M's minute above and on p 9 C.F.

A draft memo from Regr is submitted for approval

7/7/48. 2. Attention is also invited to the petitions of the President of the Hospet Bank, since received ~~vide p 3 C.F.~~ 3-9 C.F.

Petition vide p 3 C.F. In view of H.M's minute vide p 3 C.F. the petition may be referred to the R.C.S. for remarks. The draft memo provides for this

Petition vide p 5-6 C.F. The petitions from the President of the Bank already received on the election dispute has been examined in detail and rejected in G.O. No 2075 Dev.

2 C.F. of (V)

5 C.F. of (V)

8

dates 26.4.48. The present petition does not contain any fresh point.. no action seems called for on the petition for the present.

Petitions on pp 7 - 9 cf :- Increase of petition. In view of the draft memo. no action is called for on these petitions.

Issues as Memo 61914/B II/48. dt 6.7.48. — p 11 CF

From the R.C.S. Lr No 629/47 A dt 11.7.48. — pp 13-14 CF

In G.O. No. 2073 Dev., dated 26-4-48, the Govt. p 4 5 CF & (V)
rejected the appeal petition submitted by the President of the Hospet Cooperative Central Bank against the orders of the Addl. Joint Registrar on a revision petition filed in respect of the election to the Board of Directors of the Central Bank held on 19-3-48. The Registrar has since issued a notice under section 43 of the C.S. Act to supersede the Board of management of the Bank. In his letter on pp.3-4 c.f. the President of the Bank has represented that the present Deputy Registrar is unfair in his dealings with the Bank and has requested that he may be transferred. In his petition on pp.5-6 c.f. he has requested that the orders issued in G.O. No. 2073 Dev., dated 26-4-48 may be reconsidered.

pp 15-17 CF

A

p 4 5 CF & (V)

2. With reference to H.M. (L.A.'s) orders on p.1 above and on p.10 c.f. the R.C.S. was asked to meet H.M. before final action is taken to supersede the Committee of the Bank. His remarks were also called for on the representation at 'A' above. The Registrar's reply is on pp.13-14 c.f. and may be perused.

p 11 CF

3. The Registrar has explained in detail the circumstances leading to the issue of the notice of the supersession.

pp 13-14 CF

4. In the circumstances explained in para. 7 of his letter on p.14 c.f. the R.C.S. does not consider any action necessary

48 ✓ 9

on the representation at 'A' above.

5. The Registrar has met H.M. (L.A.) as directed and requested orders regarding supersession. It would appear from the Registrar's letter on pp.13-14 c.f. that there is no other course except supercession in the present case. The file is submitted for orders:-

(1) whether the R.C.S. may be asked to take further action regarding supersession; and

(2) whether the present petition requesting a reconsideration of the G.O. No. 2073 Dev., dated 26-4-48 may be rejected.

17/7/48

please intimate R.C.S as follows.

I) Supersession orders may be kept in abeyance.

II) D.R may again call upon the President under sec. 15 of the act for the election of the 5 directors representing the individual share holders

III) If the President declines to call for a meeting for the purpose, he himself should call for a General body meeting and get the election conducted

20/7

20/7

(8)

H.M's minute on p3 ante. 13/7/48 867463

A draft memo to the R.C.S. is submitted for approval

D. 20/7/48 for 20/7/48.

Miss Bailey Ps. 21 July D S (W.L.)

9 presume H.M's minute was examined before the memo was issued. Will Capdt. please speak?

Can 24/7/48.

Shd go to W. Ke 28/7/48

Issues 61914/BII/48-2 of 20.7.48 ← p5 19-20 CF

from the R.C.S. Ly No 629/47/A of 20.7.48 — p21 CF

The letter from the R.C.S on p21 CF and its enclosures on pp 23-25 CF may be perused

No action is called for. The Registrar's reply to the memo. with 19-20 CF. may be awaited till

D. 22/7/48 15.9.48

Ke 28/7/48

Can 29.7.48

[from the R.C.S. Copy of D.O 629/47/A) 3-8-48] P 27 CF

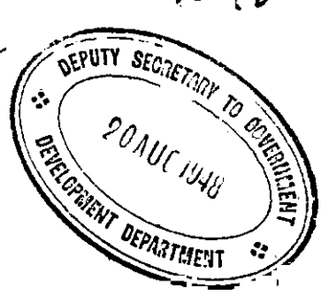
~~please see~~ the Copy of D.O from R.C.S ~~of p 27~~ and its enclosures at P 27-29 C.F. may be perused. No action at present is seems called for. The Registrar's reply to the memo at PP 19-20 CF may be awaited till 15-5-1948

D 15/8/48 for 16/8/48

Can 17.8.48

HM (L.A.).

H.M. (L.A.) 16/8/48



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Letter from the R.C.S. Rc. 629/47.A. dated 3-11-48.
From Sri.M.Subrammiam Cane Superintendent dated 9-11-48

The prders of H.M. on page 3 above was communicated to the R.C.S. in this Deptt. memo. on pp.19-20 c.f. The Registrar's report on page 31 c.f. may be perused. He has stated that a meeting of the general body was called for on 23-10-48 by the Dy. Registrar as the President did not call for the meeting and that the following 5 directors from the individual share holders were elected:

(1) Sri. N. Chennaveeriah
(2) Sri Murari Venkataswamy — Representing Western Taluk
(3) Sri P. Gurunathappa Setty

(4) Sri. N. Maribasavana Gowda
(5) Sri. S.Seetharama setty — Representing Eastern Tks

It is also reported that at the meeting an objection was raised questioning the action of the President in having issued printed notice in the name of the Bank requesting the voters to vote for the above 5 candidates who ultimately came out successful in the election. The President is also reported to have turned down the proposal of the names of two candidates of the opposite party for the reasons that they were not present. The Registrar states that the above points may have to be considered only if a reference is filed under Sec. 51 of the C S.Act by any of the agrieved parties. He has promised to keep a close watch over the affairs of the Bank. A petition has since been filed with the R.C.S. by two share holders for setting aside the election. -- Please see pages 33-37 c.f.

It does not appear that anything can be done until the new election dispute is decided

(It may be mentioned in this connection that the Dy.Regr. has since given a decision on an arbitration reference filed with him, that Sri. Channabasappa and 3 other Directors representing share holding societies have ceased to be members of the Board of Directors consequent on their failure to attend 3 consecutive meetings. Sri Channabasappa has appealed to Govt. against this decision and the Registrar's remarks have been called for on this appeal petition.)

(Orders in circulation above)

No further action is called for in the file. The papers may be recorded and placed in the file linked below.

The Registrar's further act on reserved to

Co-op. Societies / Bellary Co-operative Central Bank Ltd. / Election / dispute - Govt. orders - Registrar's - Papers.

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or 'A' corps 5 whose is being watched in the S.A.
This may be added to the connected forces 2073 Div (V)
dated 26.11.18. or (V) A part up in the S.A.

T/12/18

Clerk
Signed